No. 96-1470

Supreme Court, U.S.
FILED
AUG 6 1997

IN THE

Supreme Court of the United States

OCTOBER TERM, 1997

QUALITY KING DISTRIBUTORS, INC.,

Petitioner,

v.

L'ANZA RESEARCH INTERNATIONAL, INC.,

Respondent.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

JOINT APPENDIX

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PETITION FOR WRIT OF CERTIORARI FILED MARCH 17, 1997
WRIT OF CERTIORARI GRANTED JUNE 2, 1997

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OPINION, UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT [APPENDIX A TO PETITION FOR WRIT OF CERTIORARI]

RELEVANT DOCKET ENTRIES

United States District Court
Central District of California
(Western Division)

Civil Docket For Case #: 94-CV-841

Termed Appeal A0279

L'Anza Research Intl
v.
Quality King Inc, et al

2/7/94	1	Complaint (Summons(es) issued) (ca) [Entry date 02/08/94]
4/26/94	12	1st Amended Complaint [1-1] by plaintiff; adding Hanif Mr; summons issued (yt) [Entry date 04/27/94]
6/20/94	19	Return of proof of service of summons on 1st A/C executed upon defendant Quality King Inc by certified mail on 6/2/94 with return receipt attached (yt) [Entry date 06/21/94]

6/20/94	20	Return of proof of service of summons and 1st A/C executed upon defendant Bob Pace by certified mail on 6/2/94 with return receipt attached (yt) [Entry date 06/21/94]
6/21/94	22	Stipulation and Order extg time for deft Drug Emporium, Inc to resp to complaint for 30 days by Judge J. S. Letts (yt) [Entry date 06/29/94]
6/27/94	23	Notice of Motion and Motion by defendant Vons Companies Inc, defendant Longs Drug Stores, defendant Longs Drug Stores CA to dismiss or in the alt for a more definite statement; motion hearing set for 1:00 8/29/94 (yt) [Entry date 06/29/94]
6/27/94	24	Memo in Suppt by defendant Vons Companies Inc, defendant Longs Drug Stores, defendant Longs Drug Stores CA to motion to dismiss (23-1) (yt) [Entry date 06/29/94]
6/28/94	25	Declaration of Bub-Joo Lee by defendant Vons Companies Inc, defendant Longs Drug Stores, defendant Longs Drug Stores CA to motion to dismiss [23-1] (yt) [Entry date 06/29/94]

7/5/94	26	Joinder by defendant Quality King Inc joining motion to dismiss [23-1] Joinder (yt) [Entry date 07/28/94]
7/5/94	27	Declaration of Melodie K. Larsen by defendant Quality King Inc re [26-1] (yt) [Entry date 07/28/94]
7/20/94	28	Joinder by defendant Drug Emporium Inc joining motion to dismiss [23-1] Joinder (yt) [Entry date 08/12/94]
8/15/94	29	Memorandum by plaintiff L'Anza Research Intl in support of opposition to motion to dismiss [23-1] (yt) [Entry date 08/16/94]
8/15/94	30	Declaration of Robert De Lanza and John K. McKasson by plaintiff L'Anza Research Intl re [23-1] (yt) [Entry date 08/16/94]
8/25/94	31	Notice of joinder in stip & order rescheduling hrg by defendant Quality King Inc (yt) [Entry date 08/29/94]
8/25/94	32	Stipulation and Order by Judge J. S. Letts re-setting hearing on motion to dismiss [23-1] 1:00 9/26/94 (yt) [Entry date 08/29/94]

9/15/94	33	Minutes: vacating hearing re motion to dismiss [23-1] by Judge J. S. Letts CR: NA (yt) [Entry date 09/22/94]
9/21/94	34	Declar of Daniel J. Tyukody, Jr in suppt by defendant Vons Companies Inc, defendant Longs Drug Stores, defendant Longs Drug Stores CA to motion to dismiss [23-1] (yt) [Entry date 09/22/94]
9/21/94	35	Memo in suppt by defendant Vons Companies Inc, defendant Longs Drug Stores, defendant Longs Drug Stores CA to motion to dismiss [23-1] (yt) [Entry date 09/22/94]
9/23/94	36	Objections and motn to strike defts untimely reply in suppt of motns to dism by plaintiff L'Anza Research Intl (yt) [Entry date 10/05/94]
9/26/94	37	Minutes: Informal stat conf held by Judge J. S. Letts CR: NA (yt) [Entry date10/05/94]
11/9/94	38	Stipulation and Order by Judge J. S. Letts dismissing party Drug Emporium Inc w/prej (Ent 11/10/94) (yt) [Entry date 11/10/94]

1/9/95	41	Order by Judge J. S. Letts establishing DCO 3/15/95; pretrial conference on 9:00 4/18/95; jury trial set on 8:00 4/6/95 (yt) [Entry date 02/25/95]
1/26/95	39	Order by Judge J. S. Letts that the motn to dism the copyright infringement and contributory copyright infringement claims be denied; the motn to stay pendent stat law claims be denied; the motn to dism the intentional interference with contract and intentional interference with prospective economic advantage claims be granted w/lv to amend and the motn to dism the unfair competition under Business & Professional Code section 17000 et seq. claim be granted w/lv to amd (ENT 1/30/95) mld cpy & ntc (yt) [Entry date 01/30/95]
2/6/95	42	Notice of association of cnsl by plaintiff L'Anza Research Intl (yt) [Entry date 03/06/95]
2/14/95	40	Answer by defendant Quality King Inc to [12-1]; jury demand (yt) [Entry date 02/16/95]
3/16/95	48	Exhibit list by defendant Quality King Inc (yt) [Entry date 03/22/95]

3/16/95	49	Witness list submitted by defendant Quality King Inc (yt) [Entry date 03/22/95]
3/16/95	50	Memo of Contentions of Fact and Law by defendant Quality King Inc (yt) [Entry date 03/22/95]
3/20/95	51	Notice of Discrepancy and Order by Judge J. S. Letts that the ntc of motn & motn for an order is rejected and retn to cnsl (yt) [Entry date 03/22/95]
3/20/95	52	Declarations in supp of motn for an order specifying issues that exist w/o substantial controversy by plaintiff L'Anza Research Intl (yt) [Entry date 03/22/95]
3/28/95	53	Notice of Motion and Motion by plaintiff L'Anza Research Intl for order specifying issues that exist w/o substantial controversy; motion hearing set for 1:00 4/17/95 (yt) [Entry date 03/31/95]
3/28/95	54	Amended Declaration of Robert De Lanza by plaintiff L'Anza Research Intl re [53-1] (yt) [Entry date 03/31/95]

3/28/95	55	Memo of Contentions of Fact and Law by plaintiff L'Anza Research Intl (yt) [Entry date 03/31/95]
3/28/95	56	Exhibit list by plaintiff L'Anza Research Intl (yt) [Entry date 03/31/95]
3/28/95	57	Memorandum by plaintiff L'Anza Research Intl in support of motion for order specifying issues that exist w/o substantial controversy [53-1] (yt) [Entry date 03/31/95]
3/28/95	58	Witness list submitted by plaintiff L'Anza Research Intl (yt) [Entry date 03/31/95]
3/31/95	60	Stipulation and Order by Judge J. S. Letts; pretrial conference on 9:00 5/5/95 ; jury trial set on 9:00 5/16/95 (yt) [Entry date 04/10/95]
4/3/95	61	Statement of disputed facts in opposition to motn [for] order specifying issues w/o substantial controversy by defendant Quality King Inc (yt) [Entry date 04/10/95]
4/3/95	62	Opposition by defendant Quality King Inc to motion for order specifying issues that exist w/o substantial controversy [53-1] (yt) [Entry date 04/10/95]

4/3/95	63	Objections to declars fld in suppt of motn for order specifying issues, etc by defendant Quality King Inc (yt) [Entry date 04/10/95]
4/4/95	59	Stipulation for voluntary dismissal as to deft The Vons Companies, Inc., a Michigan Corp only w/prej (Ent 4/5/95) mld cpy (yt) [Entry date 04/05/95]
4/4/95	64	Certificate of Service by defendant Quality King Inc of opposition to motion for order, etc (yt) [Entry date 04/11/95]
4/10/95	65	2nd Declaration of Robert De Lanza by plaintiff L'Anza Research Intl re [53-1] (yt) [Entry date 04/17/95]
4/10/95	66	Reply to Opposition by plaintiff L'Anza Research Intl to motion for order specifying issues that exist w/o substantial controversy [53-1] (yt) [Entry date 04/17/95]
4/12/95	67	Objections to 2nd declar of Robert De Lanza by defendant Quality King Inc (yt) [Entry date 04/27/95]
4/17/95	68	Minutes: granting motion for order specifying issues that exist w/o substantial controversy [53-1] by Judge J. S. Letts CR: Terry Kramer (yt) [Entry date 05/03/95]

5/1/95	69	Order by Judge J. S. Letts that plf L'anza Research International's motion for order specifying issues that exist w/o substantial controversy as to dft Quality King Distributors, Inc. [53-1] be GR. Crt reaches the following concls of law in this case: L'Anza owns all right, title, & interest in the U.S. copyright registration no. TXU593-178, effective 1/7; the first sale defense in 17 U.S.C. 109(a) of the Copyright Act does not bar liability as to Quality King, if otherwise proven, in this case. A written opinion providing a more specific stmt of the grounds for this decision will follow. (Ent 5/4/95) mld cpys & ntc. (gk) [Entry date 05/04/95]
5/1/95	70	Stipulation and Order by Judge J. S. Letts; pretrial conference cont on 8:00 5/9/95 (yt) [Entry date 05/09/95]
5/9/95	71	Suppl Memo of Contentions of Fact and Law by defendant Quality King Inc (yt) [Entry date 05/11/95]
5/9/95	72	Amendment by defendant Quality King Inc to [49-1] (yt) [Entry date 05/11/95]

5/9/95	73	Amendment by defendant Quality King Inc to [48-1] (yt) [Entry date 05/11/95]
5/9/95	74	Joint Exhibit list (yt) [Entry date 05/11/95]
5/9/95	75	Minutes: pretrial conf held 5/9/95 by Judge J. S. Letts CR: Terry Kramer (yt) [Entry date 05/16/95]
5/9/95	76	Amendment by plaintiff L'Anza Research Intl to [58-1] (yt) [Entry date 05/16/95]
5/9/95	77	Declaration of David Rippon by plaintiff L'Anza Research Intl re [53-1] (yt) [Entry date 05/16/95]
5/9/95	78	Memo of Contentions of Fact and Law by plaintiff L'Anza Research Intl (yt) [Entry date 05/16/95]
5/10/95	79	2nd Suppl Memo of Contentions of Fact and Law by defendant Quality King Inc (yt) [Entry date 05/16/95]
5/18/95	82	Stipulation re amount of damages (yt) [Entry date 05/23/95]
5/18/95	83	Joint Status Report (yt) [Entry date 05/23/95]

5/23/95	84	Amd Joint Status Report (yt) [Entry date 06/05/95]
6/9/95	85	Notice of Motion and Motion by plaintiff L'Anza Research Intl for permanent injunction against deft Quality King Distributors, Inc; motion hearing set for 1:00 7/24/95 **Filed Under Seal** (yt) [Entry date 06/14/95]
6/9/95	86	Memorandum by plaintiff L'Anza Research Intl in support of motion for permanent injunction against deft Quality King Distributors, Inc [85-1] ** Filed Under Seal ** (yt) [Entry date 06/14/95]
6/12/95	87	Notice of Discrepancy and Order by Judge J. S. Letts that the declar of John R. McKasson is rejected and retnd to cnsl (yt) [Entry date 06/29/95]
6/12/95	88	Declaration of John K. McKasson by Plaintiff re [85-1] ** Filed Under Seal** (yt) [Entry date 07/07/95]
7/7/95	89	Amended Order by Judge J. S. Letts granting motion for order specifying issues that exist w/o substantial controversy [53-1] (Ent 7/10/95) mld cpys & ntc (yt) [Entry date 07/10/95]

7/10/95	92	Oppo by defendant Quality King Inc to motion for permanent injunction against deft Quality King Distributors, Inc [85-1] (lori) [Entry date 07/25/95]
7/17/95	90	Reply Memo by plaintiff L'Anza Research Intl to motion for permanent injunction against deft Quality King Distributors, Inc [85-1] **Filed Under Seal** (yt) [Entry date 07/24/95]
7/17/95	91	2nd Declaration of John K. McKasson by plaintiff L'Anza Research Intl re [85-1] **Filed Under Seal** (yt) [Entry date 07/24/95]
7/24/95	94	Minutes: granting motion for permanent injunction against deft Quality King Distributors, Inc. [85-1] by Judge J. S. Letts CR: Terry Kramer (dh) [Entry date 07/28/95]
7/25/95	93	Order by Judge J. S. Letts tht Quality King and all those acting in active concert or participation with it are prohibited frm: importing any of the following L'anza hair cair products etc (see doc for fur details); fur ord tht Quality

		King may sent to L'anza any L'anza product in its orig carton tht it intensd to buy, seel or dispose etc (see doc for fur details) & terminating case. (Ent 7-26-95) MDJS6 mldcpys/ntc. (ab) [Entry date 07/26/95]
7/27/95	95	Objections to prop order for permanent injunction against deft Quality King by defendant Quality King Inc (yt) [Entry date 08/07/95]
8/28/95	--	Lodged/Proposed Jdmt (Fwd to CRD) (jc) [Entry date 09/06/95]
9/5/95	96	Request by plaintiff L'Anza Research Intl for judicial notice in suppt of jgm (jw) [Entry date 09/11/95]
9/28/95	97	Stipulation re amount of damages awarded to L'anza and against Quality King. (lk) [Entry date 09/29/95]
9/28/95	98	Judgment and Order: by Judge J. S. Letts that pla L'anza Research Intl shall recover of defendant Quality King Inc the sum of $132,616.00 with interest as provided by law; Furth Ord that Quality King is prohibited from: importing selling certain L'anza hair care prods. (Ent 9/29/95) mld cpys (lk) [Entry date 09/29/95]

10/2/95	99	Notice by defendant Quality King Inc of change of firm name (dh) [Entry date 10/11/95]
10/12/95	100	Notice of Appeal by defendant to 9th C/A from Dist. Court ord ent on 9/29/95. (cc: J. Larson Jaenicke: LaTorraca & Goettsch: John K. McKasson). Fee: Paid (app)
10/12/95	101	Transcript Designation and ordering form for dates 4/17/95, 7/24/95 CR: Terry Kramer (app)
10/12/95	102	Notice of undertaking fr supersedeas in amount of $198,924.00 Bond No. 6079049 from: Fidelity and Deposit of MD as to plaintiff L'Anza Research Intl (lc) [Entry date 10/20/95]
10/12/95	103	Declaration of Melodie K Larsen by defendant Quality King Inc re bond purs to loc rule 24.3.1 (lc) [Entry date 10/20/95] [Edit date 10/20/95]
10/26/95	104	Ntc of Bill of Costs Returnable submitted by plaintiff L'Anza Research Intl re [98-1]; bill of cost hearing set on 2:00 11/9/95 (lc) [Entry date 10/30/95] [Edit date 10/30/95]

10/26/95	105	Bill of Costs submitted by plaintiff L'Anza Research Intl re [98-1] (lc) [Entry date 10/30/95]
10/26/95	106	Declaration of John K McKasson re srv of jdmt by plaintiff L'Anza Research Intl (lc) [Entry date 10/30/95]
10/26/95	107	Objections by defendant Quality King Inc to bill of costs [105-1] (lc) [Entry date 10/30/95]
10/26/95	108	Notice of Discrepancy and Order plf bill of costs not timely be processed per Director R. Janisch (lc) [Entry date 10/30/95]
11/1/95	109	Notification by Circuit Court of Appellate Docket Number 95-56537 (fvap) [Entry date 11/03/95]
11/9/95	--	Lodged 9th C/A ord app w/be routinely accorded priority status. Applnts unopposed mot to expite id Denied. (app) [Entry date 11/20/95]
11/9/95	--	Costs taxed for plaintiff L'Anza Research Intl in the amount of $1,465.85 against defendant Quality King Inc (cc: all counsel); bill of cost hearing held (lc) [Entry date 12/05/95]

11/21/95	110	Receipt of Transcript of proceedings for the following date(s): 4/17/95, 7/24/95 (Re: [100-1]) CR: Terry Kramer (pjap) [Entry date 11/22/95]

GENERAL DOCKET FOR
Ninth Circuit Court of Appeals

Filed: 10/18/95

Court of Appeals Docket #: 95-56447
Nsuit: 3820 Copyright (Fed)
L'Anza Research, et al v. Quality King Inc.
Appeal from: Central District of California,
Los Angeles

10/18/95	Docketed Cause and Entered Appearances of Counsel. CADS Sent (Y/N): yes. setting schedule as follows: CADS is past due; CADS must be filed no later than 10/25/95; appellant's designation of RT is due 10/23/95; appellee's designation of RT is due 11/1/95; appellant shall order transcript by 11/13/95; court reporter shall file transcript in DC by 12/12/95; certificate of record shall be filed by 12/19/95; appellant's opening brief is due 1/29/96; appellees' brief is due 2/27/96; appellants' reply brief is due 3/12/96 [95-56447] (wp) [95-56447]
12/8/95	Filed certificate of record. RT filed in DC: 11/21/95. Schedule running. [95-56537] [95-56537] (jhc)
2/9/96	Received The American Free Trade Association as Amicus Curiae brief in support of reversal in 15 copies of 21 pages; deficient: (mt/pending Promo); served on 2/9/96 [95-56447] (gva) [95-56447]

2/12/96 Received Aplt's brief in 15 copies 39 pages (Informal: y) & 5 Exc. Rec. in 4 Vols.; deficient: (under seal); notified counsel (mtn is req); served on 2/9/96; response to brief deficiency notice due 2/26/96. (gva) [95-56447]

2/20/96 Filed PROMO motion and order (Deputy Clerk: cag) The American Free Trade Association's mtn for leave to file brief of amicus curiae on behalf of aplt, the proposed brief and any responsive filing shall be referred for disposition to the panel that considers the merits of the case. Any further request for leave to appear as amicus curiae shall be treated in a similar fashion. [2953434-1] (Motion recvd 2/8/96) (Note: mtn sent to Records by Promo) [95-56447] (rc) [95-56447]

3/27/96 Filed original and 15 copies Aple's 47 pages brief (in compliance w/R 32(e); 6 Supplemental Exc. Rec.; served on 3/26/96 (per 4/9/96 order) (per 4/25/95 filed Under Seal) [95-56447] (gva) [95-56447]

4/1/96 Received original and 15 copies, Amicus (The Beauty And Barber Supply Institute Inc.) brief of 12-pgs; served on 3/27/96; deficient: need mtn; Notified counsel. ** For Merits Panel ** (per 4/16/96 order) [95-56447] (rc) [95-56447]

4/11/96 Filed The Beauty & Barber Supply Institute Inc's motion for leave to file brief of amicus curiae; served on 4/10/96 ** For Merits Panel ** (Per 4/16/96 order) [2988708] (gva) [95-56447]

4/16/96 Filed order (Deputy Clerk: lp) The ct is in receipt of the mtn for leave to appear as amicus curiae filed by the Beauty and Barber Supply Institute, Inc. The mtn, amicus curiae br, and any response or related filings shall be referred for disposition to the panel that considers the merits of the case. The optional rpy remains due 4/29/96 pursuant to the oral extension of time. The clerk shall place a copy of the provided corporate disclosure statement into each amicus curiae br. [2988708-1] [2979059-1] [95-56447] (gva) [95-56447]

5/1/96 Received original & 15 copies Aplt's reply brief (Informal: n) of 25 pages in compliance w/Rule 32; served on 4/29/96; deficient: (under seal-mtn/Promo). [95-56447] (gva) [95-56447]

5/13/96 Filed motion & Appellate Commissioner order Promo: The ct is in receipt of aplt's mtn for leave to file the optional rpy br under seal. The mtn is granted. The rpy br is ordered filed under seal. The documents entitled "Pamphlet of Statutes . . . " submitted by the aplt shall be referred for disposition to the panel that considers the merits of the case. (mtn rcvd 5/1/96) [3005304-1] (Motion recvd) [95-56447] (gva) [95-56447]

5/13/96	Filed original and 15 copies Aplt's reply brief (Informal: n) 25 pages; served on 4/29/96 Under Seal. [95-56447] (gva) [95-56447]
5/13/96	Received Aplt's "Pamphlet of Statutes" served on 4/29/96 ** For Merits Panel ** (per 5/13/96 order) [95-56447] (gva) [95-56447]
5/29/96	Calendar material being prepared. [95-56447] (mw) [95-56447]
6/5/96	Calendared: PASA Aug 6 1996 9:00 am Courtroom 3 [95-56447] (aw) [95-56447]
7/29/96	Filed Quality King Inc. in 95-56447 additional citations, served on 7/29/96. (Panel) [95-56447] (rmw) [95-56447]
8/6/96	Argued and Submitted to Dorothy W. Nelson, Thomas G. Nelson, Sidney R. Thomas [95-56447] (rmw) [95-56447]
10/22/96	Filed Opinion: Affirmed (Terminated on the Merits after Oral Hearing; Affirmed; Written, Signed, Published W. Nelson, author; Thomas G. Nelson; Sidney R. Thomas) Filed and Entered Judgment. [95-56447] (gva) [95-56447]
11/5/96	Filed Appellee L'Anza Research in 95-56447 bill of costs, served on 11/4/96 [95-56447] (rc) [95-56447]

11/6/96	[3116097] Filed original and 40 copies Appellant Quality King Inc. petition for rehearing with suggestion for rehearing en banc. (Panel And All Active Judges.) 15 p.pages, served on 11/4/96 [95-56447] (rei) [95-56447]
11/18/96	Filed Appellant Quality King Inc. in 95-56447 response to bill of costs, served on 11/14/96 [95-56447] (rc) [95-56447]
12/16/96	Filed order (Dorothy W. Nelson, Thomas G. Nelson, Sidney R. Thomas): . . . The petition for rehearing is denied and the suggestion for rehearing en banc is rejected. [95-56447] (gva) [95-56447]
1/8/97	Mandate Issued. Costs taxed against Aplt: $780.40 [95-56447] (mlm) [95-56447]
1/9/97	Filed order (Deputy Clerk: mm) Upon due consideration of Aple's cost bill of costs and the objection thereto, Aple is granted costs on appeal in the amnt of $780.40. See Local R 39-1.2 for taxable costs. [95-56447] (ot) [95-56447]
3/21/97	Rec'd notice from Supreme Court; petition for certiorari filed. Supreme Court No. 96-1470; filed on 3/17/97. [95-56447] (jr) [95-56447]

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Attorneys for Plaintiff
L'anza Research International, Inc.,
a California corporation

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

L'ANZA RESEARCH INTERNATIONAL, INC., a California corporation,
Plaintiff,

vs.

QUALITY KING, INC., a New York corporation; BOB PACE, an individual; THE VONS COMPANIES, INC., a Michigan corporation; LONGS DRUG STORES CORPORATION, a Maryland corporation; LONGS DRUG STORES CALIFORNIA, INC., a California corporation; DRUG EMPORIUM, INC., a Delaware corporation; RANCHO DEL MAR PHARMACY, INC. dba VASSEY DRUGS, L. INTERTRADE, LTD., an entity of unknown form; and MR. HANIF, an individual,
Defendants.

CASE NO. CV-94 0841 JSL

FIRST AMENDED COMPLAINT FOR:

(1) COPYRIGHT INFRINGEMENT;
(2) CONTRIBUTORY COPYRIGHT INFRINGEMENT;
(3) INTENTIONAL INTERFERENCE WITH CONTRACT;
(4) INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE; AND
(5) UNFAIR BUSINESS PRACTICES

Plaintiff L'anza Research International, Inc. ("L'anza"), a California corporation, alleges:

1. This action arises under the Copyright Act of 1976, 17 U.S.C. §101 *et seq*. This court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1338.

2. Venue is proper in this judicial district pursuant to 28 U.S.C. §1400.

3. At all times herein mentioned, plaintiff L'anza Research International, Inc. was and is a corporation duly organized and existing under the laws of the State of California, with its principal place of business at 935 West Eighth Street in Azusa, California 91702.

4. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned, defendant L. Intertrade, Ltd. ("L. Intertrade") was and is an entity of unknown form organized and existing under the laws of Malta with its principal place of business in Malta and doing business in the State of California. Plaintiff is informed and believes and thereon alleges that defendant Mr. Hanif ("Hanif") is an individual who is believed to reside on the island of Malta or in the United Kingdom. L. Intertrade and Hanif have been transacting business in this judicial district through sales to defendant Quality King, Inc. ("Quality King") which in turn made sales to

retail stores located in this judicial district and elsewhere in the United States. Plaintiff is informed and believes and thereon alleges that L. Intertrade and Hanif have also been transacting business in this judicial district through participation in a conspiracy with co-conspirators in this judicial district and elsewhere to sell plaintiff's products ("L'anza hair care products") in this judicial district and elsewhere in violation of the Copyright Act of 1976, 17 U.S.C. §101 *et seq*. Plaintiff is informed and believes and thereon alleges that L. Intertrade and Hanif have been transacting business in this judicial district by engaging in contributory copyright infringement in this judicial district in violation of the Copyright Act of 1976, 17 U.S.C. §101.

5. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned, defendant Quality King was and is a corporation organized and existing under the laws of the State of New York with its principal place of business in the State of New York and doing business in the State of California. Quality King has been transacting business in this judicial district through sales to retail stores located in this judicial district and elsewhere in the United States. Plaintiff is informed and believes and thereon alleges that Quality King has also been transacting business in this judicial district through participation in a conspiracy with co-conspirators in this judicial district and elsewhere to sell plaintiff's products ("L'anza hair care products") in this judicial district and elsewhere in violation of the Copyright Act of 1976, 17 U.S.C. §101 *et seq*. Plaintiff is informed and believes and thereon alleges that Quality King has been transacting business in this judicial district by engaging in contributory copyright infringement in this judicial district in violation of the Copyright Act of 1976, 17 U.S.C. §101.

6. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned, defendant Bob Pace ("Pace") was and is a natural person and a citizen of the State of New York and doing business in the State of California. Plaintiff is informed and believes and thereon alleges that Pace has been transacting business in this judicial district through sales to retail stores located in this judicial district and elsewhere in the United States. Plaintiff is informed and believes and thereon alleges that Pace has also been transacting business in this judicial district through participation in a conspiracy with co-conspirators in this judicial district and elsewhere to sell L'anza hair care products in this judicial district and elsewhere in violation of the Copyright Act of 1976, 17 U.S.C. §101 *et seq*. Plaintiff is informed and believes and thereon alleges that Pace has been transacting business in this judicial district by engaging in contributory copyright infringement in this judicial district in violation of the Copyright Act of 1976, 17 U.S.C. §101.

7. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned, defendant The Vons Companies, Inc. ("Vons") was and is a corporation organized and existing under the laws of the State of Michigan with its principal place of business in and doing business in the State of California. Vons has been transacting business in this judicial district through the operation of retail stores located in this judicial district and elsewhere in the United States. Plaintiff is informed and believes and thereon alleges that Vons has also been transacting business in this judicial district through the participation in a conspiracy with co-conspirators in this judicial district and elsewhere to sell L'anza hair care products in this judicial district and elsewhere in violation of the Copyright Act of 1976, 17 U.S.C. §101 *et seq*. Plaintiff is informed and believes and thereon

alleges that Vons has been transacting business in this judicial district by engaging in contributory copyright infringement in this judicial district in violation of the Copyright Act of 1976, 17 U.S.C. §101.

8. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned, defendant Longs Drug Stores Corporation ("Longs") is and was a corporation organized and existing under the laws of the State of Maryland with its principal place of business in and doing business in the State of California. Longs has been transacting business in this judicial district through the operation of retail stores located in this judicial district and elsewhere in the United States. Plaintiff is informed and believes and thereon alleges that Longs has also been transacting business in this judicial district through the participation in a conspiracy with co-conspirators in this judicial district and elsewhere to sell L'anza hair care products in this judicial district and elsewhere in violation of the Copyright Act of 1976, 17 U.S.C. §101 *et seq*. Plaintiff is informed and believes and thereon alleges that Longs has been transacting business in this judicial district by engaging in contributory copyright infringement in this judicial district in violation of the Copyright Act of 1976, 17 U.S.C. §101.

9. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned, defendant Longs Drug Stores California ("Longs California") is and was a corporation organized and existing under the laws of the State of California with its principal place of business in and doing business in the State of California. Longs California has been transacting business in this judicial district through the operation of retail stores located in this judicial district and elsewhere in the United States. Plaintiff is informed and believes and thereon alleges that Longs California has also been

transacting business in this judicial district through participation in a conspiracy with co-conspirators in this judicial district and elsewhere to sell L'anza hair care products in this judicial district and elsewhere in violation of the Copyright Act of 1976, 17 U.S.C. §101 *et seq*. Plaintiff is informed and believes and thereon alleges that Longs California has been transacting business in this judicial district by engaging in contributory copyright infringement in this judicial district in violation of the Copyright Act of 1976, 17 U.S.C. §101.

10. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned, defendant Drug Emporium, Inc. ("Drug Emporium") is and was a corporation organized and existing under the laws of the State of California with its principal place of business in and doing business in the State of California. Drug Emporium has been transacting business in this judicial district through the operation of retail stores located in this judicial district and elsewhere in the United States. Plaintiff is informed and believes and thereon alleges that Drug Emporium has also been transacting business in this judicial district through participation in a conspiracy with co-conspirators in this judicial district and elsewhere to sell L'anza hair care products in this judicial district and elsewhere in violation of the Copyright Act of 1976, 17 U.S.C. §101 *et seq*. Plaintiff is informed and believes and thereon alleges that Drug Emporium has been transacting business in this judicial district by engaging in contributory copyright infringement in this judicial district in violation of the Copyright Act of 1976, 17 U.S.C. §101.

11. Plaintiff is informed and believes and thereon alleges that at all times herein mentioned, defendant Rancho Del Mar Pharmacy, Inc. dba Vassey Drugs ("Vassey") is a corporation organized and existing under

the laws of the State of California with its principal place of business in and doing business in the State of California. Plaintiff is informed and believes and thereon alleges that Vassey has been transacting business in this judicial district through participation in a conspiracy with co-conspirators in this judicial district and elsewhere to sell L'anza hair care products in this judicial district and elsewhere in violation of the Copyright Act of 1976, 17 U.S.C. §101 *et seq*. Vassey has been transacting business in the State of California through the operation of retail stores located in the State of California. Plaintiff is informed and believes and thereon alleges that Vassey has been transacting business in this judicial district by engaging in contributory copyright infringement in this judicial district in violation of the Copyright Act of 1976, 17 U.S.C. §101.

12. Plaintiff is the exclusive maker and seller of L'anza hair care products in the United States and the remainder of the world. These products include, but are not limited to, the following L'anza hair care products: Super Quatre; Multi-Mist; Lavenda; Biotane; Vitro; Remede; Curls & Color Moisture Treatment; Curls & Color Moisturizing Shampoo; Re-Balance Leave-In Conditioner; Re-Balance Shampoo Plus; and Re-Balance Styling Foam.

13. The L'anza hair care products are only offered for sale in professional hair care salons and professional beauty colleges. Each of these products are packaged in bottles the outside of which contains two dimensional designs and identifying marks and other copyrightable material ("the copyrighted material"). The copyrighted material also contains, and has contained since the products were first marked, notice that the material is subject to copyright protection.

14. All of the copyright material was created by the employees of L'anza for the purpose of marketing

L'anza hair care products in a manner which demonstrates their uniqueness and high quality.

15. The copyrighted material is copyrightable material under the laws of the United States.

16. The United States copyright for the copyrighted material was duly registered to L'anza by the United States copyright office as registration No. TXU593-178, effective January 7, 1994 ("L'anza's copyright"). A true and correct copy of the registration certificate is attached hereto as Exhibit "A."

17. Defendants L. Intertrade and Hanif represented to L'anza and its distributor in the United Kingdom that they desired to distribute L'anza products solely in Malta and possibly Libya and solely through the authorized channels of distribution which are professional beauty salons and colleges and professional barber salons and colleges ("the authorized channels of distribution"). L. Intertrade and Hanif also represented and agreed in their contract with L'anza and/or its distributor in the United Kingdom that they would not make sales of L'anza products outside of their territory which was Malta and possibly Libya, and also they would not make sales outside of the authorized channels of distribution, as defined above.

18. At the time that L. Intertrade and Hanif made the above representations to L'anza and its distributor in the United Kingdom, they did not in fact intend to keep the representations, but rather had already planned through the use of a conspiracy with the other defendants herein to divert the L'anza products outside of their territory and outside of the authorized channels of distribution. In fact, at the time the above representations were made, L'anza alleges, upon information and belief, that L. Intertrade and Hanif had already made arrangements to import the L'anza products to the United States for sale outside of the authorized channels of distribution.

19. L'anza and its United Kingdom distributor relied upon the misrepresentations by L. Intertrade and Hanif by agreeing to make L. Intertrade and Hanif a L'anza distributor in Malta and possibly Libya and further allowing L. Intertrade and Hanif to purchase L'anza products in the United Kingdom for sale in Malta and possibly Libya.

20. L. Intertrade and Hanif did not keep their agreement with L'anza and L'anza distributor in the United Kingdom, but rather immediately imported all of the product that was sold to them in the United Kingdom to the United States.

21. But for the misrepresentations by L. Intertrade and Hanif, L'anza would not have sold L. Intertrade and Hanif L'anza products in the United Kingdom or allowed L. Intertrade or Hanif to become a L'anza distributor covering the territory of Malta and possibly Libya.

22. Upon information and belief, defendants, and each of them, have infringed, contributorily infringed, and been engaged in a conspiracy to infringe L'anza's copyright through the sales of products containing the aforementioned copyrighted material in this judicial district and other areas in the United States.

23. Upon information and belief, defendants Hanif, L. Intertrade, Quality King and Pace, acting for themselves and as conspirators for the remaining defendants, purchased products containing the copyrighted material outside of the United States and imported them into the United States.

24. Upon information and belief, pursuant to the above-mentioned conspiracy, Quality King and Pace then sold the products with the copyrighted material to defendants Vons, Longs, Longs California, Drug Emporium and Vassey, and each of them, and Vons,

Longs, Longs California, Drug Emporium and Vassey, and each of them, have been selling items containing the copyrighted material in this judicial district and other areas.

25. The activities referred in paragraphs 1 through 24 above were, and are, without the consent or permission of plaintiff or any authorized agent of plaintiff.

FIRST CLAIM
(For Copyright Infringement Against All Defendants)

26. Plaintiff refers to paragraphs 1 through 25, inclusive, of this complaint and incorporates them by reference as though set forth fully herein.

27. Defendants, and each of them, willfully violated and conspired to willfully violate plaintiff's exclusive rights under 17 U.S.C. §§106, 501 and 602 to reproduce and distribute the copyrighted material in the United States.

28. L'anza has suffered damages as a result of the infringement referred to in paragraph 27.

29. Defendants, and each of them, have received profits as a result of the infringement referred to in paragraph 21.

30. The unauthorized infringement and use by defendants of the copyrighted material, unless enjoined, will cause irreparable harm, damage and injury to L'anza in that the sale of these reproductions of L'anza's copyrighted material has severely damaged and continues to damage the value of the copyrighted material by diluting the market and destroying the distinctiveness of the copyrighted material and its identity as L'anza's exclusive property.

SECOND CLAIM
(For Contributory Copyright Infringement Against All Defendants)

31. Plaintiff refers to paragraphs 1 through 30, inclusive, of this complaint and incorporates them by reference as though set forth fully herein.

32. Defendants, and each of them, willfully contributorily violated and conspired to willfully violate plaintiff's exclusive rights under 17 U.S.C. §§106, 501 and 602 to reproduce and distribute the copyrighted material in the United States.

33. L'anza has suffered damages as a result of the contributory infringement referred to in paragraph 32.

34. Defendants, and each of them, have received profits as a result of the contributory infringement referred to in paragraph 32.

35. The unauthorized contributory infringement and use by defendants of the copyrighted material, unless enjoined, will cause irreparable harm, damage and injury to L'anza in that the sale of these reproductions of L'anza's copyrighted material has severely damaged and continues to damage the value of the copyrighted material by diluting the market and destroying the distinctiveness of the copyrighted material and its identity as L'anza's exclusive property.

THIRD CLAIM
(For Intentional Interference With Contract and Conspiracy Against All Defendants)

36. Plaintiff hereby incorporates paragraphs 1 through 35, inclusive, of this complaint as though fully set forth herein.

37. L'anza markets its products through exclusive distributorship agreements with its distributors which provide that the distributor may only sell the L'anza products through the authorized channels of distribution.

38. On the label on every L'anza product, it is clear that the product is only to be resold through the authorized channels of distribution.

39. Defendants are knowingly, intentionally and improperly interfering with these distributorship agreements by engaging in a conspiracy to induce L'anza's distributors to breach their distributorship agreements with L'anza by selling L'anza products to defendants so defendants may resell the L'anza products outside of the authorized channels of distribution. Defendants' conspiracy has also been engaged in setting up false L'anza distributors and/or inducing individuals to become L'anza distributors so that these individuals can then divert L'anza products to defendants in violation of the distributorship contract between the individuals and L'anza. Defendants have engaged in the conspiracy while being fully informed that the acts they are inducing L'anza's distributors to engage in violate the distributors' contractual obligations to L'anza. Defendants' conspiracy specifically set up a false distributorship to divert L'anza product called L. Intertrade.

40. As a result of these wrongful acts, L'anza's reputation and sales have been substantially damaged. It has also been required to repurchase some of the products which were imported into the United States and sold without L'anza's permission. In addition, L'anza's ability to retain its U.S. distributors and its authorized channels of distribution in the U.S. has been severely impaired by this wrongful importation of L'anza's product acquired abroad through fraud.

41. Plaintiff is informed and believes and thereon alleges that defendants performed the above-mentioned

acts and engaged in the above-mentioned conspiracy for the express purpose of injuring L'anza and its distributors and/or in conscious disregard of L'anza's distributorship agreements. As a further proximate result of the above-mentioned acts by defendants, L'anza has been deprived of its patronage of a large number of actual and potential customers. The aforementioned acts by defendants were willful, malicious, fraudulent and oppressive and done with a conscious disregard of L'anza's rights under its distributorship agreements and therefore entitle L'anza to an award of punitive and exemplary damages.

FOURTH CLAIM

(For Intentional Interference With Prospective Economic Advantage and Conspiracy Against All Defendants)

42. Plaintiff hereby incorporates paragraphs 1 through 41, inclusive, of this complaint as though fully set forth herein.

43. Defendants are intentionally and improperly interfering with L'anza's prospective economic advantage by engaging in a conspiracy to induce L'anza's distributors to breach their distributorship agreements with L'anza by selling L'anza products to defendants so defendants may resell the L'anza products outside of the authorized channels of distribution. Defendants' diversion and illegal importation conspiracy is also interfering with L'anza's prospective economic advantage by wrongfully making it costly and unprofitable for the distributors to comply with the terms of their distributorship agreements.

44. As a result of these wrongful acts, L'anza's reputation and sales have been substantially damaged. It has also been required to repurchase products which

were illegally imported into the United States and sold outside of the authorized channels of distribution at a substantial cost. In addition, L'anza's ability to retain its U.S. distributors and its U.S. authorized channels of distribution has been severely impaired by this wrongful importation and sale of L'anza products.

45. Plaintiff is informed and believes and thereon alleges that defendants performed the above-mentioned acts and engaged in the above-mentioned conspiracy for the express purpose of injuring L'anza and its U.S. distributors and/or in a conscious disregard of L'anza's prospective economic advantage. As a further proximate result of the above-mentioned acts by defendants, L'anza has been deprived of its patronage of a large number of actual and potential customers. The aforementioned acts by defendants were willful, malicious, fraudulent and oppressive and done with a conscious disregard of L'anza's prospective economic advantage and therefore entitle L'anza to an award of punitive and exemplary damages.

FIFTH CLAIM
(For Unfair Competition Under Business & Professions Code §17000 *et seq.* and Conspiracy Against All Defendants)

46. Plaintiff hereby incorporates paragraphs 1 through 45, inclusive, of this complaint as though fully set forth herein.

47. The previously alleged wrongful conduct and conspiracy to engage in wrongful conduct by defendants, and each of them, constitutes unfair competition under Business & Professions Code §17000, *et seq.*

48. Plaintiff is informed and believes, and thereon alleges, that defendants performed the above-mentioned

acts and engaged in the above-mentioned conspiracy for the express purpose of injuring L'anza and its U.S. distributors and/or with a conscious disregard of the possibility of injuring L'anza and its distributors.

49. The above-mentioned acts were intentionally and wrongfully done in a malicious, oppressive and fraudulent attempt to injure L'anza, and have substantially damaged L'anza.

WHEREFORE, plaintiff L'anza Research International Inc. prays as follows:

AS TO THE FIRST AND SECOND CLAIMS:

1. That this court issue temporary, preliminary and permanent injunctions prohibiting defendants, and each of them, and their agents and servants from infringing, contributorily infringing or conspiring to infringe plaintiff's copyright in any manner and from publishing, selling, marketing or otherwise disposing of any reproductions of the copyrighted material in the United States;

2. That this court order defendants, and each of them, to deliver up to be impounded during the pendency of this action all reproductions of the copyrighted material in their possession or in their control;

3. That this court enter judgment in favor of L'anza for (a) the amount of the damages that L'anza has suffered as a result of defendants' infringement, contributory infringement and conspiracy to infringe of L'anza's copyright, and all gains, profits and advantages derived by defendants, and each of them, from their infringement, contributory infringement and conspiracy to infringe L'anza's copyright; or, at L'anza's option, (b) such damages as the court shall deem proper under the provisions of the copyright statutes;

4. That this court allow L'anza to recover the costs of this action, including L'anza's reasonable attorney's fees; and

5. That this court allow and provide such other and further relief for L'anza as the court may deem just and proper.

AS TO THE THIRD, FOURTH, AND FIFTH CLAIMS:

6. Compensatory damages in the amount of $300,000;

7. For exemplary and punitive damages;

8. For various costs of suit herein; and

9. Such other and further relief as the court deems just and proper.

DATED: April 26, 1994.

/s/ John K. McKasson
John K. McKasson, a Member of
LaTORRACA and GOETTSCH
A Law Partnership
Attorneys for Plaintiff L'anza
Research International, Inc.,
a California corporation

[EXHIBIT A OMITTED IN PRINTING]

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Quality King Distributors, Inc.

FILED
FEB 14, 1995
Clerk, U.S. District Court
Central District of California
By Deputy

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

[TITLE OMITTED IN PRINTING]

CASE No. CV-94 0841 JSL

ANSWER OF QUALITY KING DISTRIBUTORS, INC. TO FIRST AMENDED COMPLAINT; DEMAND FOR JURY TRIAL

Defendant Quality King Distributor, Inc. ("defendant") admits, denies and alleges as follows:

ALLEGATIONS COMMON TO ALL CLAIMS

1. Admitted.

2. Admitted.

3. Defendant admits that L'anza Research International, Inc. ("L'anza") is doing business in the State of

California. Except as so admitted, defendant is without information or belief sufficient to answer the remaining allegations in Paragraph 3 and on that basis denies each of them.

4. Defendant denies that it participated in a conspiracy with L. Intertrade, Ltd., Mr. Hanif, and/or anyone to violate Copyright laws. Defendant also denies that L. Intertrade, Ltd. is doing business through defendant. Except as so denied, defendant is without information or belief sufficient to answer the remaining allegations in Paragraph 4 and on that basis denies each of them.

5. Defendant admits that it is a corporation organized and existing under the laws of the State of New York; that its principal place of business is in the State of New York; that it does business in the State of California; and that it sells various products to retail stores in this judicial district and in the United States. Except as so admitted, defendant denies each of the allegations in Paragraph 5.

6. Defendant admits that defendant Bob Pace is a natural person. Defendant denies it conspired with any defendant to sell L'anza products in violation of the Copyright Act or that it engaged in contributory copyright infringement (or copyright infringement) in violation of the Act. Except as so admitted and denied, defendant is without information or belief sufficient to answer the remaining allegations in Paragraph 6 and on that basis denies each of them.

7. Defendant is informed and believes that The Vons Companies, Inc. ("Vons") is doing business and operates retail stores in the State of California. Defendant denies that it conspired with any defendant to sell L'anza products in violation of the Copyright Act or that it engaged in contributory copyright infringement (or copyright infringement) in violation of the Act. Except as stated above, defendant is without information or

belief sufficient to answer the remaining allegations in Paragraph 7 and on that basis denies each of them.

8. Defendant is informed and believes that Longs Drug Stores Corporation ("Longs") is doing business and operates retail stores in the State of California. Defendant denies that it conspired with any defendant to sell L'anza products in violation of the Copyright Act or that it engaged in contributory copyright infringement (or copyright infringement) in violation of the Act. Except as stated above, defendant is without information or belief sufficient to answer the remaining allegations in Paragraph 8 and on that basis denies each of them.

9. Defendant is informed and believes that defendant Longs Drug Stores California ("Longs California") is doing business in the State of California. Defendant denies that it conspired with any defendant to sell L'anza products in violation of the Copyright Act or that it engaged in contributory copyright infringement (or copyright infringement) in violation of the Act. Except as stated above, defendant is without information or belief sufficient to answer the remaining allegations in Paragraph 9 and on that basis denies each of them.

10. Defendant is informed and believes that Drug Emporium, Inc. ("Drug Emporium") is doing business in the State of California. Defendant denies that it conspired with any defendant to sell L'anza products in violation of the Copyright Act or that it engaged in contributory copyright infringement (or copyright infringement) in violation of the Act. Except as stated above, defendant is without information or belief sufficient to answer the remaining allegations in Paragraph 10 and on that basis denies each of them.

11. Defendant denies that it conspired with any defendant to sell L'anza products in violation of the Copyright Act or that it engaged in contributory copyright infringement (or copyright infringement) in

violation of the Act. Except as stated above, defendant is without information or belief sufficient to answer the remaining allegations in Paragraph 11 and on that basis denies each of them.

12. Defendant admits that plaintiff sells L'anza hair care products. Except as so admitted, defendant is without information or belief sufficient to answer the remaining allegations in Paragraph 12 and on that basis denies each of them.

13. Denied.

14. Defendant is without information or belief sufficient to answer the allegations in Paragraph 14 and on that basis denies each of them.

15. Defendant is without information or belief sufficient to answer the allegations in Paragraph 15 and on that basis denies each of them.

16. Defendant is without information or belief sufficient to answer the allegations in Paragraph 16 and on that basis denies each of them.

17. Defendant is without information or belief sufficient to answer the allegations in Paragraph 17 and on that basis denies each of them.

18. Defendant is without information or belief sufficient to answer the allegations in Paragraph 18 and on that basis denies each of them.

19. Defendant is without information or belief sufficient to answer the allegations in Paragraph 19 and on that basis denies each of them.

20. Defendant is without information or belief sufficient to answer the allegations in Paragraph 20 and on that basis denies each of them.

21. Defendant is without information or belief sufficient to answer the allegations in Paragraph 21 and on that basis denies each of them.

22. Denied.

23. Denied.

24. Denied.

25. Denied.

FIRST CLAIM
(For Copyright Infringement Against All Defendants)

26. Defendant incorporates by reference as though set forth in full herein its responses to Paragraphs 1 through 25, inclusive.

27. Denied.

28. Denied.

29. Denied.

30. Denied.

SECOND CLAIM
(For Contributory Copyright Infringement Against All Defendants)

31. Defendant incorporates by reference as though set forth in full herein its responses to Paragraph 1 through 30, inclusive.

32. Denied.

33. Denied.

34. Denied.

35. Denied.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE TO ALL CLAIMS FOR RELIEF
(Failure To State A Claim)

36. The complaint, and each and every one of plaintiff's claim for relief, does not allege facts sufficient to state a claim for relief against defendant.

SECOND AFFIRMATIVE DEFENSE TO ALL CLAIMS FOR RELIEF
(First Sale Doctrine)

37. The complaint, and each and every one of plaintiff's claims for relief, are barred by the first sale doctrine in § 109 (a) of the Copyright Act.

THIRD AFFIRMATIVE DEFENSE TO ALL CLAIMS FOR RELIEF
(Unclean Hands)

38. The complaint and every one of plaintiff's claims for relief are barred by plaintiff's unclean hands.

FOURTH AFFIRMATIVE DEFENSE TO ALL CLAIMS FOR RELIEF
(Laches)

39. The complaint and every one of plaintiff's claims for relief are barred by the doctrine of laches.

FIFTH AFFIRMATIVE DEFENSE TO ALL CLAIMS FOR RELIEF
(Estoppel)

40. By its words and conduct, plaintiff is estopped from asserting every one of the claims for relief in the complaint.

SIXTH AFFIRMATIVE DEFENSE TO ALL CLAIMS FOR RELIEF
(Misuse of Copyright)

41. The complaint and every one of plaintiff's claims for relief are barred by plaintiffs misuse of its alleged copyright.

SEVENTH AFFIRMATIVE DEFENSE TO CLAIMS FOR RELIEF
(Other Action Pending)

Plaintiff's complaint, and each and every one of plaintiff's claims for relief, should be stayed and abated because there are actions pending in state courts in Colorado and California involving the same or similar claims.

EIGHTH AFFIRMATIVE DEFENSE TO ALL CLAIMS FOR RELIEF
(Failure to Properly Register Copyright)

Plaintiff's complaint, and each and every one of plaintiff's claims for relief, are barred because plaintiff's purported Certificate of Registration is defective and invalid.

WHEREFORE, defendant prays for judgment as follows:

1. That plaintiff take nothing by reason of its complaint and that the complaint be dismissed against defendant;

2. That defendant be awarded its costs of suit herein; and

3. For such other and further relief as the court may deem just and proper.

DATED: February 14, 1995

RINTALA, SMOOT, JAENICKE
& BRUNSWICK
J. Larson Jaenicke
Melodie K. Larsen

By /s/ Melodie K. Larsen
Melodie K. Larsen
Attorneys for Defendant
Quality King Distributors, Inc.

DEMAND FOR JURY TRIAL

Defendant Quality King Distributors, Inc. hereby demands a jury trial.

/s/ Melodie K. Larsen
Melodie K. Larsen
Attorneys for Defendant
Quality King Distributors, Inc.

[PROOF OF SERVICE OMITTED IN PRINTING]

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Attorneys for Plaintiff
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FILED
MAR 28, 1995
Clerk, U.S. District Court
Central District of California

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

[TITLE OMITTED IN PRINTING]

CASE NO. CV-94 0841 JSL

NOTICE OF MOTION AND MOTION FOR AN ORDER SPECIFYING ISSUES THAT EXIST WITHOUT SUBSTANTIAL CONTROVERSY

DATE: April 17, 1995
TIME: 8:00 a.m.
PLACE: Courtroom "4" of the
Honorable J. Spencer Letts,
United States District Judge

PRETRIAL CONFERENCE DATE:
April 6, 1995
TIME: 8:00 a.m.

TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on April 17, 1995 at 8:00 a.m., or as soon thereafter as the matter may be heard, in Courtroom "4" of the Honorable J. Spencer Letts, United States District Judge, located at 111 North Hill Street, Los Angeles, California, plaintiff L'anza Research International, Inc. ("L'anza"), move the court for an order specifying issues that exist without substantial controversy.

The motion for an order specifying issues that exist without substantial controversy is made on the grounds that there is no genuine triable issue of material fact as to the following issues raised by the complaint and that L'anza is entitled to an order that the following issues are without substantial controversy, as a matter of law:

1. Quality King infringed L'anza's copyright (Copyright Office Registration No. TXU53-178) when it sold L'anza hair care products containing the copyrighted material that had been imported into the United States without L'anza's permission in violation of 17 U.S.C. §602(a); and

2. The first sale defense in 17 U.S.C. §109(a) does not shield Quality King from liability in this case.

This motion is based upon Rule 56 of the Federal Rules of Civil Procedure; this notice of motion and motion; the memorandum of points and authorities and the amended declaration of Robert De Lanza served and filed herewith; the declarations of Robert De Lanza, Robert Hall, Trevor Wayne Attenborough, John K. McKasson, Donald H. Graves and Derrol Estrella, lodged and served on March 16, 1995, and filed on March 20, 1995; the pleadings, records and files in this action; such supplemental memorandum of points and

authorities as may be subsequently filed herein; and such oral and documentary evidence as may be presented at the hearing of this motion.

DATED: March 24, 1995.

/s/ John K. McKasson
John K. McKasson, a Member of
LaTORRACA and GOETTSCH
A Law Partnership
Attorneys for Plaintiff L'anza
Research International, Inc.,
a California corporation

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FILED
MAR 20, 1995
Clerk, U.S. District Court
Central District of California

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

[TITLE OMITTED IN PRINTING]

CASE NO. CV-94 0841 JSL

DECLARATIONS OF JOHN K. McKASSON, ROBERT DE LANZA, DERROL ESTRELLA, ROBERT HALL, DONALD H. GRAVES AND TREVOR WAYNE ATTENBOROUGH IN SUPPORT OF MOTION FOR AN ORDER SPECIFYING ISSUES THAT EXIST WITHOUT SUBSTANTIAL CONTROVERSY

DATE: April 6, 1995
TIME: 8:00 a.m.
PLACE: Courtroom "4" of the
Honorable J. Spencer Letts,
United States District Judge
PRETRIAL CONFERENCE DATE: April 6, 1995
TIME: 8:00 a.m.

Plaintiff L'anza Research International ("L'anza") respectfully submits the within declarations of John K. McKasson, Robert De Lanza, Derrol Estrella, Robert Hall, Donald H. Graves, and Trevor Wayne Attenborough in support of its motion for an order specifying issues that exist without substantial controversy.

[DECLARATIONS OF JOHN K. McKASSON, ROBERT DE LANZA AND DERROL ESTRELLA OMITTED IN PRINTING]

DECLARATION OF ROBERT HALL

I, ROBERT HALL, declare:

1. I am the president of plaintiff L'anza Research International, Inc. ("L'anza"). I have been L'anza's president since July 1993. Prior to being the president, I was the executive vice president for the years of 1988 through 1993. My responsibilities as president and executive vice president included overseeing, under the direction of Robert De Lanza, L'anza's former president and now Chairman of the Board, all operations of L'anza, both in the United States and internationally.

2. In this regard, I am intimately familiar with, and have been instrumental in, developing and maintaining L'anza's marketing strategy including, but not limited to, insuring that L'anza's products are only sold through professional beauty salons and professional beauty colleges.[1]

3. I am also intimately familiar with the damage that is caused to L'anza's channels of distribution, overall sales volume, reputation and image by unauthorized

[1] All references to beauty salons and beauty colleges are meant to include barber salons and barber colleges.

importation and sale of L'anza's products in the United States to unapproved retailers such as drug stores and grocery stores.

4. Since L'anza's inception in 1985, its products have only been authorized for sale by its distributors to professional beauty salons and professional beauty colleges. L'anza controls the distribution of its products by including provisions in its distributorship agreements preventing the distributors from selling L'anza's products to any retailers except professional beauty salons and professional beauty colleges. L'anza has also been able to limit the sale of its products to professional beauty colleges and professional beauty salons by including provisions in its distributorship agreements allowing L'anza to seek immediate injunctive relief in the event any L'anza products are sold by a distributor to any retailer other than a professional beauty college or a professional beauty salon. Attached hereto as Exhibit "J" are true and correct copies of excerpts from L'anza's various lengthy distributorship contracts for the years 1989 through 1993. Although there are minor changes in wording, all of the contracts included the above-described limitations on the sales of L'anza's products.

5. L'anza also, in order to track any potential diversion, marks its products in a manner that allows the products located in a particular retail establishment to be traced back through the chain of distribution.

6. The reason that L'anza only allows its products to be sold to professional beauty colleges and professional beauty salons are as follows: First, it has been L'anza's experience, and my own experience, that very high quality products including human hair keratin, such as are sold by L'anza, may only be effectively and profitably marked if they are sold exclusively through professional beauty colleges and professional beauty salons. It has been L'anza's experience, and my

experience, that if such products are also sold through grocery stores or drug stores, the public will not perceive them as high quality products. Further, it has been L'anza's experience, and my own, that the public is generally unwilling to pay the price charged for high quality products, such as L'anza's products, when they are sold along with the less expensive lower quality products that are generally carried by supermarkets and drug stores.

7. The second reason that L'anza limits the sales of its products to professional beauty colleges and beauty salons is its belief that the full effect of its products will not be experienced by a consumer unless the consumer is given hands-on instruction on the proper use of the products by a trained professional. The reason that this is the case is that unlike the ordinary shampoos, conditioners, and other hair care products that are sold in supermarkets and drug stores, L'anza's products are more complicated and their application requires more care and often more steps. Thus, L'anza only allows its products to be sold through professional beauty colleges and professional beauty salons since, if the products are not sold by one of those two types of establishments, the ultimate consumer will not be given hands-on instruction on how to properly and most effectively use the products and therefore may not experience the maximum potential benefit from L'anza's products. This often results in diminishing the consumer's perception of the products.

8. Finally, L'anza limits the sales of its products to professional beauty salons and professional beauty colleges to be certain that the retailers carrying L'anza products offer for sale an entire series or line of L'anza products. This is important because L'anza products are made so that they work in conjunction with and compliment certain other L'anza products in that line or series of L'anza products. Retailers other than professional

salons and professional beauty colleges often do not carry an entire line or series and, thus, the consumer suffers because he or she will not have the opportunity to purchase and benefit from the other complementary products in the line or series.

9. Moreover, so that the professionals at the professional beauty salons and professional beauty colleges that sell L'anza's products understand how to properly apply and use the products, L'anza requires that its distributors conduct extensive training programs for the professional beauty salons and professional beauty colleges. L'anza often sponsors these events and provides incentive for the distributors to conduct these training seminars. L'anza generally requires its distributors to spend a substantial portion of their time training professionals on the proper use and application of L'anza's products. In addition, L'anza has retained a number of national representatives to instruct its distributors on the proper use and application of L'anza's products.

10. When L'anza's products are, without authorization, imported into the United States and then sold in unauthorized channels of distribution, L'anza is injured in a number of very significant ways.

11. First, L'anza's image as an exclusive product that is only available through professional beauty salons and professional beauty colleges is eroded. This actually happens quite quickly because as soon as consumers observe that the products are available in supermarkets and drug stores, their perception of L'anza as an exclusive product which is only available through professional beauty salons and professional beauty colleges is immediately eliminated.

12. Second, the unauthorized importation and sale of L'anza's products makes it more difficult for L'anza's distributors to sell L'anza's products to professional

beauty salons and professional beauty colleges because the sales through the supermarkets and drug stores tend to flood the market and leave the salon and beauty college owners with unsalable inventory.

13. Finally, since the unauthorized importation and sale of L'anza's products through supermarkets or drug stores does not allow for consumers to be given hands-on instruction, they may not achieve the maximum possible benefit from L'anza's products. Further, as noted, these unauthorized and untrained retailers often do not carry an entire line or series of L'anza products. This has the effect of further eroding L'anza's reputation for only selling high quality products.

14. In order to counteract the above-described harm, L'anza incurs many times the amounts of the products that are imported and sold in promotional activities, advertising and seminars to rebuild L'anza's image in the areas to which the products are wrongfully imported and sold.

15. L'anza has never authorized anyone to import its products into the United States or to sell imported L'anza products in the United States.

16. L'anza has never waived its rights under the copyright and trademark laws to prohibit the unauthorized importation and sale of its products.

I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct.

Executed this 15th day of March, 1995, at Azusa, California.

/s/ ROBERT HALL
ROBERT HALL

[EXHIBIT OMITTED IN PRINTING]

[DECLARATION OF DONALD H. GRAVES]

I, Donald H. Graves declare:

1. I have personal knowledge of the following facts and could and would testify competently thereto.

2. I was the Manager of Vessey Drugs at all times during the transaction dealing with the L'Anza products subject of the lawsuit *L'Anza v Quality King, Inc. et al.*, United States District Court, Central District of California Number CV-94 0841 JSL.

3. The goods in question were purchased in September, 1993 from Quality King. The purchase consisted of seven (7) dozen assorted pieces.

4. The order was solicited by Quality King and not initiated by me or other member of the staff of Vessey Drugs.

5. After some sales the remaining L'Anza product on hand was returned to Quality King on February 28, 1994.

6. Since that one transaction, Vessey Drugs has not ordered any more L'Anza product from Quality King or any other source.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this declaration is executed on March 13, 1995 at Watsonville, California.

/s/ DONALD H. GRAVES
DONALD H. GRAVES

DECLARATION OF TREVOR WAYNE ATTENBOROUGH

I, TREVOR WAYNE ATTENBOROUGH, declare:

1. I am a marketing director of plaintiff L'anza Research International ("L'anza"). I have been the art director, marketing director and/or advertising director of L'anza since June 1989. I have personal knowledge of the following facts, and I could, and would, competently testify thereto if called upon to do so.

2. In my capacity as L'anza's marketing director, my responsibilities have included orchestrating and monitoring L'anza's advertising program which focuses heavily upon the United States market. L'anza advertises in various trade magazines on a monthly basis. L'anza also engages in promotional and merchandising advertising at point of sale and editorial advertising in consumer magazines.

3. Almost all of L'anza's advertising depicts or shows L'anza's products including the names of the products which are subject to trademark protection. The product depicted also includes material that has copyright protection.

4. The reason L'anza's advertisements almost without exception include copies of its products is that seeing the products in advertisements allows the consumer or potential consumer to recognize the product easily.

5. Attached hereto as Exhibit "F" are true and correct copies of various advertisements run by L'anza in the magazine American Salon in the months January through November of 1993, featuring L'anza's products.

6. Attached hereto as Exhibit "G" are true and correct copies of various advertisements run by L'anza in the magazine American Salon, in the months January through November of 1992, again featuring L'anza's products.

7. Attached hereto as Exhibit "H" are true and correct copies of various advertisements run by L'anza in the magazine American Salon, in the months January through June of 1991, again featuring L'anza's products.

8. Attached hereto as Exhibit "I" are true and correct copies of various advertisements run by L'anza in the magazine American Salon, in the months February through December of 1990, again featuring L'anza's products.

I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct.

Executed this 17 day of February, 1994, at Azusa, California

/s/ TREVOR WAYNE ATTENBOROUGH
TREVOR WAYNE ATTENBOROUGH

[EXHIBITS OMITTED IN PRINTING]

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JOHN K. McKASSON, Bar No. 138194
LaTORRACA AND GOETTSCH
A LAW PARTNERSHIP
211 EAST OCEAN BOULEVARD, SUITE 400
POST OFFICE BOX 21978
LONG BEACH, CALIFORNIA 90801-4978
(310) 436-1887

Attorneys for Plaintiff
L'anza Research International, Inc.,
a California corporation

FILED
MAR 28, 1995
Clerk, U.S. District Court
Central District of California

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

[TITLE OMITTED IN PRINTING]

CASE NO. CV-94 0841 JSL

AMENDED DECLARATION OF ROBERT DE LANZA IN SUPPORT OF MOTION FOR AN ORDER SPECIFYING ISSUES THAT EXIST WITHOUT SUBSTANTIAL CONTROVERSY

DATE: April 17, 1995
TIME: 8:00 a.m.
PLACE: Courtroom "4" of the
Honorable J. Spencer Letts,
United States District Judge

PRETRIAL CONFERENCE DATE:
APRIL 6, 1995
TIME: 8:00 A.M.

DECLARATION OF ROBERT DE LANZA

I, ROBERT DE LANZA, declare:

1. I am the founder and chairman of the Board of Directors of plaintiff L'anza Research International ("L'anza"). I have personal knowledge of the following facts, and I could, and would, competently testify thereto if called upon to do so.

2. L'anza is what is commonly referred to as an "S corporation" with the sole shareholders being me and my wife, Krystyna De Lanza.

3. As is noted in detail in the declaration of L'anza's president, Robert Hall, L'anza only allows its distributors to sell its products to professional beauty colleges, professional beauty salons, professional barber colleges, and professional barber salons.

4. L'anza's products are marked in a manner that allows certain bottles in any particular shipment of L'anza's products to be traced back through the chain of distribution. This is done to allow L'anza to make certain that its products are not being diverted and to assist L'anza in tracing any potential diversion back to its source. L'anza ordinarily markets through distributors; however, it markets directly to consumers at trade shows and other professional hair care events and markets directly to salons and colleges in the Los Angeles area, where its headquarters is located.

5. On or about February 14, 1994, I received via Federal Express a package containing L'anza products and receipts for the purchases of the products from Darrol Estrella of Salon Technologies, the L'anza distributor in Northern California. The package from Mr. Estrella contained the following L'anza products that he purchased from defendant Rancho Del Mar Pharmacy, Inc. dba Vessey Drugs ("Vessey Drugs"), in

Aptos, California: (1) two 10-ounce Super Quatre Spray; (2) one 10-ounce Multi Mist; and (3) two 10-ounce Remede Shampoo. Attached hereto as Exhibit "A" is a true and correct copy of the receipt forwarded by Mr. Estrella reflecting these purchases of L'anza products that he made from Vessey Drugs in Aptos, California on February 12, 1994.

6. The Federal Express package forwarded by Mr. Estrella also contained the following L'anza products that Mr. Estrella purchased from Vessey Drugs in Carmel, California: (1) two 10-ounce Styling Foam; (2) two 10-ounce Super Quatre Spray; and (3) two 10-ounce Multi Mist. Attached hereto as Exhibit "B" is a true and correct copy of the receipt for the purchase of these products forwarded by Mr. Estrella reflecting the purchases that he made from Vessey Drugs in Carmel, California on February 12, 1994.

7. A true and correct copy of the Federal Express receipt accompanying the package sent by Mr. Estrella and received by me on February 14, 1994, is attached hereto as Exhibit "C" and as Exhibits "E" and "F" to Mr. Estrella's declaration.

8. By comparing the markings on several of the L'anza products that were forwarded by Mr. Estrella with L'anza's internal records, I was able to determine that those products were imported into the United States from a country in the Mediterranean called Malta and specifically a company called L. Intertrade Limited. I was also able to determine that these products were sold to L. Intertrade Limited by a master L'anza distributor in the United Kingdom. This importation of L'anza products into the United States from Malta was done without permission from L'anza or any agent of L'anza and was also an express violation of the agreement between the master L'anza distributor in the United Kingdom and L. Intertrade Limited.

9. Three separate shipments of L'anza products invoiced through the United Kingdom distributor were sold by the United Kingdom distributor to L. Intertrade Limited. The shipments of these products by L'anza were dated November 23, 1992, May 19, 1993 and December 17, 1993. The shipment dated November 23, 1992 was shipped on terms of net 30 days in accordance with a letter of credit. Thus, with regard to this shipment, L'anza did not and could not have received any payment for the goods until long after they left the country and, in fact, had arrived at their destination. A true and correct copy of the invoice and the internal L'anza documentation referencing the letter of credit is attached hereto and incorporated herein as Exhibit "K." The second shipment dated May 19, 1993, was also done through a letter of credit, only the terms were net 60 days. Therefore, as to this shipment, L'anza also could not and did not receive payment for any of the goods in question until long after they had left the country and, in fact, the relevant documentation had been presented to collect on the letter of credit. True and correct copies of the invoice and internal document referencing the letter of credit are attached hereto and incorporated herein as Exhibit "L." With regard to the December 17, 1993 shipment, this shipment was sent cash on delivery. Therefore, L'anza was not and could not have been paid until after the goods had arrived at their destination and cash was presented in exchange for the goods. A true and correct copy of the invoice from the December 17, 1993 shipment reflecting that the terms were cash on delivery is attached hereto and incorporated herein as Exhibit "M."

10. The products that were sold by L'anza's distributors in the United Kingdom to L. Intertrade Limited for sale in Malta and possibly Libya, were never sold by L'anza or anyone else in the United States prior to their sale by L'anza's distributor in the United Kingdom to Malta. Instead, L'anza products, as a general practice, were shipped by L'anza to its United Kingdom distributor and then its United Kingdom distributor turns around and sells the products to its own distributors which, at the time of the sales, included L. Intertrade Limited. Thus, the L'anza products which are the subject of this action were never sold in the United States by L'anza or any other party until they were reimported by defendants.

11. Forty percent (40%) of the stock of the distributors in the United Kingdom is currently owned by my wife and I. As noted above, we are also the owners of L'anza Research International, Inc. which is held as an S corporation. In addition, at the time the transactions occurred that are at issue, the distributorship in the United Kingdom was in its formation stage and therefore no stock had been issued. It had been agreed between myself and Krystyna, on the one hand, and the persons in charge of the United Kingdom distributor who were setting up the company, David and Valerie Rippon, on the other hand, that Krystyna and I would own a substantial percentage of distributorship whether in partnership or shares of stock, if we incorporated. Thus, at the time the transactions in question occurred, the United Kingdom distributor was in essence a partnership with my wife and I being substantial partners in that partnership which ultimately translated to a 40% interest.

12. With regard to the shipments to the United Kingdom distributor, it was never my intention nor the intention of L'anza that title to the L'anza products

being shipped to the United Kingdom distributor for resale to Malta and other locations, would pass in any way in the United States. Instead, it was always my intention, and I believe the intention of everyone else involved in the transactions, that possession, custody, control and title of the goods would pass when the goods arrived in the United Kingdom and the United Kingdom distributor paid in cash for those goods, or on transactions done by letter of credit, provided the shipper with the relevant documents. It was never my intention, nor the intention of L'anza to transfer anything to the United Kingdom distributor which would limit L'anza's ability to prevent reimportation of the products and we did not transfer possession, custody, control or title at any time before the products were delivered to the United Kingdom.

13. The importation of this product, in addition to causing numerous other problems, deprives L'anza of the value of its copyrights. This is, in part, because of the difference between the price that L'anza charges for products sold to distributors located in the United States ("U.S. distributors") and the price that L'anza charges for products sold to distributors located outside of the United States ("foreign distributors") whose sales are limited to certain areas that do not include the United States. One of the primary reasons for the distinction in price is that L'anza spends a great deal of time, effort and money in promoting its products in the United States and has established a widespread high quality chain of distribution for its products through professional hair care salons and professional hair care colleges. L'anza's advertising in the United States in the last several years is described in detail in the declaration of Trevor Wayne Attenborough.

14. Consequently, the prices L'anza charges its distributor in the United Kingdom are 35 to 40 percent lower (depending on the product) than the prices it charges its U.S. distributors for the same products. As a result, the products which are the subject of this action that were imported into the United States after being sold by L'anza's distributor in the United Kingdom to L. Intertrade Limited were sold to L'anza's distributor in the United Kingdom at a 35% to 40% discount on the prices charged by L'anza to its U.S. distributors for the same products during the same period of time.

15. As a result, when a party imports L'anza products into the United States for sale, the party is, in effect, depriving L'anza of a portion of the value of its copyrights. In essence, the grey market importer of L'anza products, including L'anza's copyrighted material, receives the benefit of the advertising dollars spent in the United States market by L'anza without having to pay for that element of the cost of the products.

16. In addition, the sales of these products in the United States hampers the sales by L'anza's U.S. distributors because the products, including the copyrighted material, are commonly sold at prices that are substantially below those offered by L'anza's established distributorship network in the United States because that network pays more to purchase the products from L'anza.

17. Attached hereto as Exhibit "D" is a true and correct copy of L'anza's registered copyright, registration No. TXU593-178, effective January 7, 1994, covering numerous L'anza products, including the products purchased by Mr. Estrella from Vessey Drugs in Aptos and Vessey Drugs in Carmel.

I declare under penalty of perjury under the laws of the State of California and the laws of the United States of America that the foregoing is true and correct.

Executed this ____ day of March, 1995, at Azuza, California

ROBERT DE LANZA

[EXHIBITS A, B, C OMITTED IN PRINTING]

[PROOF OF SERVICE OMITTED IN PRINTING]

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L'ANZA [LOGO]
Research Laboratories
235 West Eight Street Azusa, CA 91702
Phone: (818) 334-9333
Order Desk 1-800-423-9850

[EXHIBIT K]

INVOICE

DATE	NUMBER
11/23/92	6927

SOLD TO
Planetary Eco Limited
Unit C, The Merlin Centre
Gatehouse Road
Aylesbury Bucks

SHIPPED TO 98003
L. Intertrade
Santosh
L'Alwett Street
Kappara

Customer Order No.	Salesperson	Our Order No.	Shipped Via	Weight	No. of Pcs.	Terms
	1	5846	clear freight			Net 30 days

Quantity Ordered	Shipped	B/O	Item Number	Description	Unit	Unit Price	Amount
500.00	500.00	0.00	1010	10oz. Lavenda Shampoo	dz	1.01	6,060.00
375.00	375.00	0.00	1210	10oz. Vitro Shampoo	dz	1.01	4,545.00
500.00	500.00	0.00	1410	10oz. Biotane Shampoo	dz	1.04	6,240.00
375.00	375.00	0.00	1610	10oz. Remede Shampoo	dz	1.43	6,435.00
125.00	125.00	0.00	1910	10oz. Rebalance Shampoo	dz	1.12	1,680.00
125.00	125.00	0.00	1418	18oz. Biotane Shampoo	dz	1.73	2,595.00
125.00	125.00	0.00	1618	18oz. Remede Shampoo	dz	2.48	3,720.00
125.00	125.00	0.00	1018	18oz. Lavenda Shampoo	dz	1.61	2,415.00
625.00	625.00	0.00	2010	10oz. Rebalance Leave-in	dz	1.43	10,725.00
500.00	500.00	0.00	2004	4oz. Rebalance Leave-in	dz	0.91	5,460.00

125.00	125.00	0.00	2018	16oz. Rebalance Leave-in	dz	2.24	3,360.00
500.00	500.00	0.00	1004	4oz. Moisture Factor	dz	1.24	7,440.00
125.00	125.00	0.00	3510	10oz. Multi Mist	dz	1.11	1,665.00
125.00	125.00	0.00	7106	6oz. Glazer Gel	dz	1.14	1,710.00
250.00	250.00	0.00	4710	10oz. Special Fx	dz	1.79	5,370.00
150.00	150.00	0.00	7710	10oz. Sprae Gel	dz	1.39	2,502.00
250.00	250.00	0.00	4510	10oz. Sprae Quatre	dz	1.33	3,990.00
50.00	50.00	0.00	7907	7oz. Rebalance Styling Foam	dz	1.34	804.00
6000.00	6000.00	0.00	A0003	Retail Bags	ea	0.05	300.00
20.00	20.00	0.00	A0009	Lanza Plexi Glass Sign	ea	6.47	129.40
50.00	50.00	0.00	L0004	Window Decals	ea	0.75	37.50
200.00	200.00	0.00	L0002	Salon Manual	ea	1.50	300.00
2.00	2.00	0.00	2001	1/4oz. Rebalance Sample	cs	0.07	70.60
2.00	2.00	0.00	1901	1/4oz. Rebalance Shampoo Sample	cs	0.10	100.00
2.00	2.00	0.00	1001	1/4oz. Lavenda Sample	cs	0.10	100.00
2.00	2.00	0.00	1401	1/4oz. Biotane Shampoo Sample	cs	0.07	70.00
2.00	2.00	0.00	1601	1/4oz. Remede Shampoo Sample	cs	0.10	100.00
1.00	1.00	0.00	7101	1/4oz. Glazer Gel Sample	cs	0.10	50.00
1.00	1.00	0.00	3001	1/4oz. Moisture Factor Sample	cs	0.10	50.00
8.00	8.00	0.00	C5051	Retail Center Extension Shelf 24"	ea	7.50	60.00

All Goods are of U.S. Origin.

Confirming Shipment of L'anza Products
of U.S. Origin.

Sub-total:	78,083.90
Sales Tax:	0.00
Misc Charge:	0.00
Freight:	0.00
TOTAL:	78,083.90

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[LOGO]
L'ANZA

Planetary Eco Limited
14A High Street
Wendover
AYLESBURY
Bucks, HP22 6EA
Tel: (0296) 398840
Fax: (0296) 399385

By Fax 20th November 1992

For the attention of Pasquale Russo

L'anza Research International Inc
Azusa
U.S.A.

Dear Pasquale,

RE: ORDER NO. 551 DATED 18.11.92 - DESTINATION MALTA

We have at last received a copy of the Letter of Credit and final confirmation should be received on Monday. However we don't anticipate any problems.

Attached is the final agreed order to be assembled for Malta.

The goods, as you know, are the subject of a Letter of Credit, and therefore the following documents are ESSENTIAL and must be ACCURATE and in accordance with the instruction of the Letter of Credit which apply to shipment:

1. Packing List in quadruplicate with :

   Item Numbers
   Description
   Container Numbers
   Bill of Lading Numbers

continued.....

Pasquale Russo continued.... 2

2. Full set of Clean On Board Ocean Bills of Lading comprising:

   Three original and,
   Four Copies evidencing shipment of the merchandise in containers via Ellerman Lines to Valetta, Malta.

3. Bills of Lading to be marked Freight Collect, Consigned to order and blank endorsed, with - :

   Notify Party: L. Intertrade,
   Santosh
   L'Alwett Street
   Kappara
   Malta

Confirming Shipment of L'anza Products of U.S. Origin

4. A FAX AT LEAST 60 HOURS PRIOR TO BILL OF LADING DATE TO BE SENT TO FAX NO. ENGLAND 071-629-0420, (Copy to 0296-399385) giving full pre-advice shipment details for insurance as follows:

   Quantity Shipped
   Container Numbers
   Vessel Name
   E.T.D. Port of Shipment
   E.T.A. Malta

5. In order for us to obtain a signed Certificate of Origin from our Chamber of Commerce we need from you a faxed Pro-Forma of your invoice to us listing the goods and giving total price.

   On that invoice it must be stated that "All goods are of U.S. ORIGIN."
   Please could this be sent to us immediately.

continued.....

Pasquale Russo continued.... 3

Pasquale, the latest shipment date is 7th December, earlier if at all possible provided all the above documents are prepared not forgetting the FAXED notification of shipment details for Insurance purposes at least 60 hours prior to shipment date.

I believe this is all quite straight forward and hope it will be clear to both you and Clearfreight.

We discussed this shipment with Robert and Robert while we were in Azusa and all decided to proceed, but as mentioned to you on the telephone please could you mark all product so that if it turns up in any other location it can be clearly identified and the relationship terminated.

We believe that this is the start of a good relationship between us and L. Intertrade and we understand that they hope to be placing orders like this three or four times a year.

Speak to you soon,

Best regards,

VALERIE

[EXHIBIT L]

L'ANZA [LOGO]
Research Laboratories
235 West Eight Street Azusa, CA 91702
Phone: (818) 334-9333
Order Desk 1-800-423-9850

INVOICE

DATE	NUMBER
5/19/93	8773

SOLD TO
Planetary Eco Limited
Unit C, The Merlin Centre
Gatehouse Road Aylesbury
England HP226EA

SHIPPED TO 98003
L. Intertrade
Santosh
L'Alwett Street
Kappara

Customer Order No.	Salesperson	Our Order No.	Shipped Via	Weight	No. of Pcs.	Terms
	1	7422	clear freight			Net 60 days

Quantity Ordered	Shipped	B/O	Item Number	Description	Unit	Unit Price	Amount
150.00	150.00	0.00	1910	10oz. Rebalance Shampoo	dz	1.12	2,016.00
20.00	20.00	0.00	1933	Liter Rebalance Shampoo	dz	3.23	775.20
250.00	250.00	0.00	2004	4oz. Rebalance Leave-in	dz	0.91	2,730.00
350.00	350.00	0.00	2010	10oz. Rebalance Leave-in	dz	1.43	6,006.00
150.00	150.00	0.00	2016	16oz. Rebalance Leave-in	dz	2.24	4,032.00
100.00	100.00	0.00	7907	1oz. Rebalance Styling Foam	dz	1.34	1,608.00
130.00	130.00	0.00	8010	10oz. Curls&Color Moist. Shampoo	dz	1.17	1,825.20
100.00	100.00	0.00	8204	4oz. Curls&Color Leave-in Protector	dz	0.91	1,092.00
415.00	415.00	0.00	8404	4oz. Curls&Color Moisture Treatment	dz	1.30	6,474.00
60.00	60.00	0.00	8304	4oz. Curls&Color Reconstructor	dz	1.96	1,411.20
75.00	75.00	0.00	8502	2oz. Curls&Color Rejuvinator	cs	0.59	1,062.00
100.00	100.00	0.00	8710	10oz. Curls&Color Purifying Shampoo	dz	1.43	1,716.00
100.00	100.00	0.00	7105	6oz. Glazer Gel	dz	1.14	1,368.00
80.00	80.00	0.00	7306	6oz. Sculpture Creme	dz	1.14	1,094.40
100.00	100.00	0.00	7510	10oz. Super Quatre	dz	1.33	1,596.00
130.00	130.00	0.00	7710	10oz. Sprae Gel	dz	1.39	2,168.40
60.00	60.00	0.00	4710	10oz. Special Fx	dz	1.79	1,288.80
80.00	80.00	0.00	7610	10oz. Dramatic Fx	dz	1.79	1,718.40
250.00	250.00	0.00	1010	10oz. Lavenda Shampoo	dz	1.01	3,030.00
125.00	125.00	0.00	1018	18oz. Lavenda Shampoo	dz	1.61	2,415.00
235.00	235.00	0.00	1210	10oz. Vitro Shampoo	dz	1.01	2,848.20
350.00	350.00	0.00	1410	10oz. Biotane Shampoo	dz	1.04	4,368.00
150.00	150.00	0.00	1418	18oz. Biotane Shampoo	dz	1.73	3,114.00
200.00	200.00	0.00	1610	10oz. Remede Shampoo	dz	1.43	3,432.00
150.00	150.00	0.00	1618	18oz. Remede Shampoo	dz	2.48	4,464.00
150.00	150.00	0.00	2404	4oz. Multi Bond	dz	2.17	3,906.00
100.00	100.00	0.00	3510	10oz. Multi Mist	dz	1.11	1,332.00
10.00	10.00	0.00	LRB01	Rebalance Product Brochure	pk	0.15	150.00
20.00	20.00	0.00	LCC01	C&C Product Brochure	pk	0.15	150.00
2.00	2.00	0.00	LCC2P	C&C Poster Pack (10 sets)	ea	25.00	50.00
4.00	4.00	0.00	800	Curls&Color Client Builder (100ct.)	cs	0.56	224.00
20.00	20.00	0.00	L0010	Presentation Folder	ea	1.50	30.00

All goods are of U.S. Origin.

Total Weight 38,844.40

Sub-total:	69,494.80
Sales Tax:	0.00
Misc Charge:	0.00
Freight:	0.00
Total:	69,494.80

European Distributor for
L'anza Research International
L'ANZA **Planetary Eco Limited**

Unit C. The Merlin Centre
Gatehouse Close
AYLESBURY
Bucks HP19 3DP
Tel: (0296) 398840
Fax: (0296) 399385

14A High Street
Wendover
AYLESBURY
Bucks HP22 6EA
Tel: (0296) 696030
Fax: (0296) 696020

Order No: 1270 - Destination Malta 14 May 1993

Product	Size	Quantity (Cases)
ReBalance Conditioning Shampoo	10 oz	150
ReBalance Conditioning Shampoo	Litre	20
ReBalance Leave-In Treatment	4 oz	250
ReBalance Leave-In Treatment	10 oz	350
ReBalance Leave-In Treatment	16 oz	150
ReBalance Styling Foam	7 oz	100
C&C Moisturising Shampoo	10 oz	130
C&C Leave-In Protector	4 oz	100
C&C Moisture Treatment	4 oz	415
C&C Reconstructor	4 oz	60
C&C Rejuventor - 24 per case	2 oz	75
C&C Purifying Shampoo	10 oz	100
Glazer Gel	6 oz	100
Sculpture Creme	6 oz	80
Super Quatre	10 oz	100
Sprae Gel	10 oz	130
Special FX	10 oz	60
Dramatic FX	10 oz	80
Lavenda Shampoo	10 oz	250
Lavenda Shampoo	18 oz	125
Vitro Shampoo	10 oz	235
Biotane Shampoo	10 oz	350
Biotane Shampoo	18 oz	150
Remede Shampoo	10 oz	200
Remede Shampoo	18 oz	150
Multi Bond	4 oz	150
Multi Mist	10 oz	100

Mr. P. Russo/Mr. B. Ambroso Page 2

PROMOTIONAL MATERIALS	Quantity (Units)
ReBalance Line Brochures	1000
Curls & Color Line Brochures	1000
Curls & Color Posters	20
Curls & Color Gift Boxes	400
L'anza Presentation Folders	20

2.** BILLS OF LADING

Full set of Clean On Board Ocean Bills of Lading comprising three original and four copies evidencing shipment of the merchandise in containers via Ellerman Lines to Valetta, Malta.

The Bills of Lading to be marked Freight Collect, Consigned to order and Blank Endorsed, with

Notifying Party: L. Intertrade
Santosh
L'Alwett Street
Kappara
Malta

Confirming Shipment of L'anza Products.

3. ADVICE FOR INSURANCE PURPOSES

A FAX AT LEAST 60 HOURS PRIOR TO BILL OF LADING DATE TO BE SENT TO FAX NO. ENGLAND 071-629-0420, (Copy to 0296-399385) giving full pre-advice shipment details for insurance as follows:

Quantity Shipped
Container Numbers
Vessel Name
E.T.D. Port of Shipment
E.T.A. Malta

4.** INVOICE
Your invoice to us listing the goods and giving total price.

On that invoice the following to be stated: All goods are of U.S. Origin. (Please fax a copy of this to us in advance of sending it) - We need this urgently to enable us to obtain a Certificate of Origin here.

** Original Items Numbers 2 and 4 to be overnighted by Fedex or U.P.S. (whatever) to us as before and faxed as soon as they are available.

IMPORTANT
No documents, other than Packing List Copy should be sent with the goods

Pasquale and Bob, at the moment the shipment date is 23rd May, and that is what we should be aiming for, provided all the above documents are prepared, not forgetting the FAXED notification of shipment details for insurance purposes at least 60 hours prior to shipment.

~~CHURCHILL TRUCK LINES, INC. - CHIL~~
~~CENTRAL OFFICE BOX 888, CHILLICOTHE, MISSOURI 64601~~

Agent's No. _____

RECEIVED, subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading.

From LAWEA Research Labs, Date 5-21-93

At 925 Street, W. Eighth St City, Azusa State, CA Zip, 91702 County

the property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as shown below, which said company (the word company being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the conditions not prohibited by law, whether printed or written, herein contained, including the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth in the National Motor Freight Classification, which are hereby agreed to by the shipper and accepted for himself and his assigns.

Consigned TO L. Interstate Freight Collect

★ On Collect On Delivery Shipments, the letters "COD" must appear before consignee's name or as otherwise provided in Item 430, Sec. 1.

Destination Sawtooth & Atwell St. City,

Campbell State, Mallita Zip, _____ County

Routing _____

Delivering Carrier _____ Vehicle or Car Initials _____ No. _____

No. Packages	H.M.	DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	*Weight (Subject to Cor.)	Class or Rate	Check Column
Well		Shampoos & Conditioner	24790	100	
		Subl, 5932			
		20 Pallets on 40ft Containers			
		Container # SCZU5533047		2	
		SEAL # 0330			
		INV. # 8778			

Subject to Section 7 of conditions, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement:
The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges

_____ (Signature of Consignor)

If charges are to be prepaid write or stamp here "To be Prepaid."

Collect

Received $ _____ to apply in prepayment of the charges on the property described hereon.

_____ Agent or Cashier

Per _____ (The signature here acknowledges only the amount prepaid.)

Charges Advanced:

$ _____

†The rate contained in this shipment conforms to the specifications set forth in the box maker's certificate thereon, and all other requirements of Rule 41 of the Uniform Freight Classification and Rule 5 of the National Motor Freight Classification."

‡Shipper's imprint in lieu of stamp, not a part of bill of lading approved by the Interstate Commerce Commission.

This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

per _____

*If the shipment moves between two ports by water, the law requires that the bill of lading shall state whether it is carrier's or shipper's weight.

NOTE — Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property.

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding $ _____ per _____

SHIPPER: LAWEA Research Labs	CARRIER FLS TRANSPORT
PER: Bob Hubbard	PER: [illegible]
DATE: 5-21-93	DATE: 5/21/93

O mark with an "X" to designate Hazardous Material as defined in Title 49 of the Code of Federal Regulations Governing Transportation of Hazardous Materials. Shown in this Column is an optional method of designating hazardous materials on bills of lading per section 172.201 and 172.202(b) of the regulations governing the transportation of such materials.

000020

ATTN: VALERIE

BEST AVAILABLE COPY

CHURCHILL TRUCK LINES, INC. - CTTL
GENERAL OFFICE, BOX 800, CHILLICOTHE, MISSOURI 64601

RECEIVED subject to the classifications and tariffs in effect on the date of the issue of this Bill of Lading.

From LANZA RESEARCH LABS, Date 5-21-83

At 925 W. Street Eighth St City AZUSA State CA Zip 91702 County

the property described below, in apparent good order, except as noted (contents and condition of contents of packages unknown), marked, consigned, and destined as shown below, which said company (the word company being understood throughout this contract as meaning any person or corporation in possession of the property under the contract) agrees to carry to its usual place of delivery at said destination, if on its route, otherwise to deliver to another carrier on the route to said destination. It is mutually agreed, as to each carrier of all or any of said property over all or any portion of said route to destination, and as to each party at any time interested in all or any of said property, that every service to be performed hereunder shall be subject to all the conditions not prohibited by law, whether printed or written, herein contained, including the terms and conditions of the Uniform Domestic Straight Bill of Lading set forth in the National Motor Freight Classification, which are hereby agreed to by the shipper and accepted for himself and his assigns.

Consigned TO CUTTER LABS Freight Collect

★ On Collect On Delivery Shipments, the letters "COD" must appear before consignee's name or as otherwise provided in Item 430, Sec. 1.

Destination EMERYVILLE Street 2800 Hollis City, Emeryville

County ALAMEDA State CA Zip

Routing

Delivering Carrier Vehicle or Car Initials No.

No. Packages	H.M.	DESCRIPTION OF ARTICLES, SPECIAL MARKS, AND EXCEPTIONS	*Weight (Subject to Cor.)	Class or Rate	Check Column
1		Shampoo & Conditioner	13282	LQ	
		Subj. to 93320			
		10 SKIDS ON HOFT Container			
		FREIGHT Collect			
		Container #'s SZCU5538640			
		SEAL #'s 0339			

Subject to Section 7 of conditions, if this shipment is to be delivered to the consignee without recourse on the consignor, the consignor shall sign the following statement:
The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.

(Signature of Consignor)

If charges are to be prepaid write or stamp here "To be Prepaid."

Collect

Received $ to apply in prepayment of the charges on the property described hereon.

Agent or Cashier

Per (The signature here acknowledges only the amount prepaid.)

Charges Advanced:

$

†"The fibre containers used for this shipment conform to the specifications set forth in the box maker's certificate thereon, and all other requirements of Rule 41 of the Uniform Freight Classification and Rule 5 of the National Motor Freight Classification."
‡Shipper's imprint in lieu of stamp, not a part of bill of lading approved by the Interstate Commerce Commission.

This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

per

*If the shipment moves between two ports by water, the law requires that the bill of lading shall state whether it is carrier's or shipper's weight.
NOTE — Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property.

The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding $ per

SHIPPER: LANZA RESEARCH LABS	CARRIER T-L-S Transp.
PER: 200 Harbor Dr	PER: Juan Rocha
DATE:	DATE: 5-21-83

O Mark with an "X" to designate hazardous material as defined in Title 49 of the code of Federal Regulations Governing Transportation of Hazardous Materials. The use of this Column is an optional method of designating hazardous materials on bills of lading per section 177.301 and 177.302(d) of the regulations governing the transportation of such materials.

T2U000 000021

L'ANZA [LOGO]
Research Laboratories
235 West Eight Street Azusa, CA 91702
Phone: (818) 334-9333
Order Desk 1-800-423-9850

[EXHIBIT M]

INVOICE

DATE	NUMBER
12/07/93	11661

SOLD TO
L. Intertrade Limited
Santosh
L'Alwett Street
Kappara Malta

SHIPPED TO 99003
L. Intertrade Limited
Felixstone
U.K. Port

Customer Order No.	Salesperson	Our Order No.	Shipped Via	Weight	No. of Pcs.	Terms
	1	9236	Hapag Lloyd			cash on deliver

Quantity Ordered	Shipped	B/O	Item Number	Description	Unit	Unit Price	Amount
250.00	250.00	0.00	10010	10oz. Lavenda Shampoo	dz	1.75	5,250.00
200.00	200.00	0.00	ZZ1210	10oz. Vitro Shampoo	dz	1.75	4,200.00
300.00	300.00	0.00	50010	10oz. Biotane Shampoo	dz	1.77	6,372.00
200.00	200.00	0.00	13008	10oz. Remede Shampoo	dz	2.46	5,904.00
200.00	200.00	0.00	12010	10oz. Reb. Shampoo Plus	dz	1.89	4,536.00
225.00	225.00	0.00	ZZ1418	18oz. Biotane Shampoo	dz	3.02	8,154.00
10.00	10.00	0.00	12033	Liter Reb. Shampoo Plus	dz	5.43	651.60
470.00	470.00	0.00	20010	10oz. Reb. Leave-in Conditioner	dz	2.40	13,536.00
250.00	250.00	0.00	20004	4oz. Reb. Leave-in Conditioner	dz	1.53	4,590.00
290.00	290.00	0.00	20016	16oz. Reb. Leave-in Conditioner	dz	3.77	13,119.60

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100.00	100.00	0.00	ZZ3510	10oz. Multi Mist	dz	1.95	2,340.00
80.00	80.00	0.00	ZZ7306	6oz. Sculpture Creme	dz	1.96	1,881.60
100.00	100.00	0.00	ZZ7106	6oz. Glazer Gel	dz	1.96	2,352.00
150.00	150.00	0.00	77010	10oz. Sprae Gel	dz	2.35	4,230.00
100.00	100.00	0.00	ZZ7510	10oz. Super Quatre	dz	2.27	2,724.00
100.00	100.00	0.00	34007	8oz. Rebalance Styling Foam	dz	2.25	2,700.00
150.00	150.00	0.00	52010	10oz. C&C Moisturizing Shampoo	dz	1.95	3,510.00
300.00	300.00	0.00		4oz. C&C Leave-in Protector	dz	2.18	7,848.00
100.00	100.00	0.00	54010	10oz. C&C Purifying shampoo	dz	2.60	3,120.00
10.00	10.00	0.00	LRB001	Rebalance Product Brochure	pk	0.15	150.00
20.00	20.00	0.00	LCC001	C&C Product Brochure	pk	0.22	220.00
20.00	20.00	0.00	LCC002	C&C Poster Set (2)	ea	1.85	37.00
4.00	4.00	0.00	6300	Curls & Color Gift Box	cs	0.83	332.00
20.00	20.00	0.00	L00100	Presentation Folder	ea	0.74	14.80

-83-

Total Weight: 40,281.20

Sub-total:	97,772.60
Sales Tax:	0.00
Misc Charge:	-1000.00
Freight:	-1000.00
Total:	96,772.60

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JOHN K. McKASSON
Bar No. 138194
LaTORRACA AND GOETTSCH
A LAW PARTNERSHIP
211 EAST OCEAN BOULEVARD, SUITE 400
POST OFFICE BOX 21978
LONG BEACH, CALIFORNIA 90801-4978
(310) 436-1887

Attorneys for Plaintiff
L'anza Research International, Inc.,
a California corporation

RECEIVED
MAR 27, 1995
Chambers of
Judge J. Spencer Letts

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

[TITLE OMITTED IN PRINTING]

CASE NO. CV-94 0841 JSL

[PROPOSED] STATEMENT OF UNCONTROVERTED FACTS AND CONCLUSIONS OF LAW

DATE: April 17, 1995
TIME: 8:00 a.m.
PLACE: Courtroom "4" of the
Honorable J. Spencer Letts,
United States District Judge

PRETRIAL CONFERENCE DATE:
APRIL 6, 1995
TIME: 8:00 a.m.

The above-entitled cause came on regularly for hearing on motion by plaintiff L'anza Research International, Inc. ("L'anza"), a California corporation, for an order specifying issues that exist without substantial controversy at 8:00 a.m. on April 6, 1995.

The court, having examined the file, having heard arguments of counsel and being fully apprised of the matter, makes the following statement of uncontroverted facts:

STATEMENT OF UNCONTROVERTED FACTS

1. L'anza Research International, Inc. ("L'anza"), a California corporation, is a corporation organized and existing under the laws of the State of California with its principal place of business in Azusa, California.

(Answer of Quality King Distributors, Inc. ("Quality King"), ¶3.)

2. This action arises under the Copyright Act of 1976, 17 U.S.C. §101 *et seq*., and this court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1338.

(Answer of Quality King, ¶1.)

3. Venue is proper in this judicial district pursuant to 28 U.S.C. §1400.

(Answer of Quality King, ¶2.)

4. L'anza owns all right, title and interest to the United States copyright, registration No. TXU593-178, effective January 7, 1994.

(Exhibit "D" to declaration of Robert De Lanza (De Lanza declaration.)

5. L'anza sold certain L'anza hair care products containing the copyrighted material ("the copyrighted material") to its distributor in the United Kingdom which

in turn sold those goods to a company called L. Intertrade in Malta.

(De Lanza declaration, ¶9.)

6. The L'anza hair care products containing the copyrighted material were imported into the United States without L'anza's permission.

(De Lanza declaration, ¶¶5-8.)

7. Defendant Rancho Del Mar Pharmacy dba Vassey Drugs ("Vassey Drugs") sold certain L'anza hair care products containing the copyrighted material that had been imported into the United States from Malta without L'anza's permission.

(See both declarations of Derrol Estrella which are attached as Exhibit "1" to the declaration of John K. McKasson ("McKasson declaration") and ¶¶4-8 and Exhibits "A," "B," and "C" to the De Lanza declaration.)

8. Vassey Drugs purchased the L'anza hair care products from defendant Quality King.

(Declaration of Donald Graves ("Graves declaration"), ¶¶2 through 4.)

9. L'anza had not previously made a first sale of the imported products in the United States.

(De Lanza declaration, ¶¶9, 10, 11 and 12.)

10. As to the shipments by L'anza dated November 23, 1992, May 19, 1993 and December 17, 1993 of L'anza products to be sold to its United Kingdom distributor and then to be resold to L. Intertrade, the parties to these transactions contemplated that possession, custody, control and title to the products being sold would not pass until the products arrived at their destination which was not in the United States.

(De Lanza declaration, ¶¶9 and 12.)

11. L'anza did not receive any payment for the November 23, 1992, May 19, 1993 or December 17,

1993 shipments of L'anza hair care products while those products were in the United States.

(*Id.*)

12. The November 23, 1992 and May 19, 1993 shipments of L'anza hair care products were done via letter of credit.

(*Id.*)

13. The December 17, 1993 shipment of L'anza hair care products was done "cash on delivery."

(*Id.*)

14. L'anza Research International, Inc. is an S corporation with the sole shareholders being Robert and Krystyna De Lanza.

(De Lanza declaration, ¶2.)

15. At the times of the above three shipments of L'anza hair care products to the United Kingdom distributor on November 23, 1992, May 19, 1993 and December 17, 1993, Mr. and Mrs. De Lanza were partners in the United Kingdom distributor with a substantial interest therein.

(De Lanza declaration, ¶11.)

16. At the present time, Mr. and Mrs. De Lanza own 40% of the stock in the United Kingdom distributor.

(*Id.*)

17. The L'anza hair care products reflected in the November 23, 1992, May 19, 1993 and December 17, 1993 invoices were sold by L'anza in the United Kingdom at a 35% to 40% discount below the prices at which the L'anza sells the same products to its United States distributors ("U.S. distributors"), because L'anza incurs advertising expenses related to goods sold in the United States and has already established reliable channels of distribution in the United States.

(De Lanza declaration, ¶¶13 and 14 and generally the declaration of Trevor Wayne Attenborough which is attached as Exhibit "2" to the McKasson declaration.)

CONCLUSIONS OF LAW

Based on the above-stated uncontroverted facts, the court makes the following conclusions of law:

1. This court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1338.

2. Venue is proper in this judicial district pursuant to 28 U.S.C. §1400.

3. L'anza owns all right, title and interest in United States copyright registration No. TXU593-178, effective January 7, 1994 ("L'anza's copyright").

4. Quality King infringed L'anza's copyright in violation of 17 U.S.C. §6020(a) of the Copyright Act.

5. The first sale defense in 17 U.S.C. §109(a) of the Copyright Act does not bar liability as to Quality King in this case.

6. Any stated uncontroverted fact deemed a conclusion of law is hereby incorporated as such.

DATED: _____, 1995.

_____
UNITED STATES DISTRICT JUDGE

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J. Larson Jaenicke [State Bar No. 73876]
Melodie K. Larsen [State Bar No. 110819]
RINTALA, SMOOT, JAENICKE & BRUNSWICK
10351 Santa Monica Boulevard, Suite 400
Los Angeles, California 90025
(310) 203-0935

Attorneys for Defendant
Quality King Distributors, Inc.

FILED
APR 3, 1995
Clerk, U.S. District Court
Central Dist. of Calif.
Los Angeles
By _____

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

[TITLE OMITTED IN PRINTING]

CASE NO. CV-94 0841 JSL

QUALITY KING DISTRIBUTORS, INC.'S STATEMENT OF DISPUTED FACTS IN OPPOSITION TO PLAINTIFF'S MOTION FOR AN ORDER SPECIFYING ISSUES WITHOUT SUBSTANTIAL CONTROVERSY

DATE: April 17, 1995
TIME: 1:00 p.m.
PLACE: Courtroom "4"

STATEMENT OF UNCONTROVERTED FACTS

1. L'anza Research International, Inc. ("L'anza"), a California corporation, is a corporation organized and existing under the laws of the State of California with its principal place of business in Azusa, California.

Undisputed.

2. This action arises under the Copyright Act of 1976, 17 U.S.C. §101 *et seq.*, and this court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1338.

Undisputed.

3. Venue is proper in this judicial district pursuant to 28 U.S.C. §1400.

Undisputed.

4. L'anza owns all right, title and interest to the United States copyright, registration No. TXU593-178, effective January 7, 1994.

Disputed. The registration does not include all of the products which are the subject of L'anza's claim. [*Compare* Amended Declaration of Robert DeLanza ("DeLanza Decl."), Exhs. K-M. Declaration of Melodie K. Larsen ("Larsen Decl."), Exh. A.]

5. L'anza sold certain L'anza hair care products containing the copyrighted material ("the copyrighted material") to its distributor in the United Kingdom which in turn sold those goods to a company called L. Intertrade in Malta.

Disputed. L'anza has not produced admissible evidence showing that all of the alleged "copyrighted material" was the subject of copyright protection pursuant to the registration attached as Exh. D to the

DeLanza Decl. or that its United Kingdom distributor sold products to L. Intertrade.

6. The L'anza hair care products containing the copyrighted material were imported into the United States without L'anza's permission.

Disputed. L'anza has not produced admissible evidence showing (1) that any materials were imported into the United States without its permission; (2) showing the terms of any agreement between L'anza and its United Kingdom distributor or between L'anza's United Kingdom distributor and L. Intertrade; (3) that any L'anza hair care products were reimported into the United States; or (4) that the products purported reimported into the United States were covered by L'anza's copyright registration. [DeLanza Decl., ¶8; Exhs. D, K-M. *See also* FRCP 56(e) which requires that documents referred to in declarations in support of motions for adjudication of issues be attached to the declarations; Rules 902 and 1002 of the Federal Rules of Evidence.]

7. Defendant Rancho Del Mar Pharmacy dba Vassey Drugs ("Vassey Drugs") sold certain L'anza hair care products containing the copyrighted material that had been imported into the United States from Malta without L'anza's permission.

Disputed. L'anza has produced no admissible evidence that the hair care products which Vassey Drugs purchased had been imported into the United States without L'anza's permission. [DeLanza Decl., ¶8; FRCP 56(e).] L'anza has not shown that all of the documents which were purchased by Vassey Drugs were covered by L'anza's copyright registration. [*Compare* DeLanza Decl., Exh. D; Larsen Decl., Exh. A.]

8. Vassey Drugs purchased the L'anza hair care products from defendant Quality King.

Undisputed for purchases of this motion only as to the products identified in Derroll Estrella's Declarations.

9. L'anza had not previously made a first sale of the imported products in the United States.

Disputed. [DeLanza Decl., ¶12; Exhs. K-M]. L'anza may not rely upon inadmissible testimony and conclusory declarations in violation of FRCP 56(e).

10. As to the shipments by L'anza dated November 23, 1992, May 19, 1993 and December 17, 1993 of L'anza products to be sold to its United Kingdom distributor and then to be resold to L. Intertrade, the parties to these transactions contemplated that possession, custody, control and title to the products being sold would not pass until the products arrived at their destination which was not in the United States.

Disputed. [DeLanza Decl. ¶12, Exhs. K-M]. In addition, L'anza may not rely upon conclusory and inadmissible evidence in violation of FRCP 56(e) and is required by this subsection to produce documents reflecting any alleged agreement between L'anza and its distributor on this subject.

11. L'anza did not receive any payment for the November 23, 1992, May 19, 1993 or December 17, 1993 shipments of L'anza hair care products while those products were in the United States.

Disputed. L'anza has offered no admissible evidence in support of this purported fact and has not produced checks, statements, letters of credit, bookkeeping documents, or other documents which would show when payment was received. L'anza may not rely upon sweeping and conclusory statements (which do not even state when payment was in fact allegedly received) to suppo. its motion under FRCP 56(e). Quality King also objects to this purported undisputed fact on the ground that it is irrelevant to the issues before the Court.

12. The November 23, 1992 and May 19, 1993 shipments of L'anza hair care products were done via letter of credit.

Disputed. L'anza has produced no admissible evidence establishing that the shipments were done via letter of credit nor has it produced the letters of credit. [DeLanza Decl., ¶9.] FRCP 56(e) requires that documents referred to in declarations in support of motions for adjudication of issues be attached to the declaration.

13. The December 17, 1993 shipment of L'anza hair care products was done "cash on delivery."

Disputed. L'anza has produced no admissible evidence establishing that the shipment was done "cash on delivery." [DeLanza Decl. ¶9.] FRCP 56(e) requires that documents referred to in declarations in support of motions for summary adjudication of issues be attached to the declarations.

14. L'anza Research International, Inc. is an S corporation with the sole shareholders being Robert and Krystyna DeLanza.

Undisputed for purposes of this motion only.

15. At the times of the above three shipments of L'anza hair care products to the United Kingdom distributor on November 23, 1992, May 19, 1993 and December 17, 1993, Mr. and Mrs. DeLanza were partners in the United Kingdom distributor with a substantial interest therein.

Undisputed for purposes of this motion only.

16. At the present time, Mr. and Mrs. DeLanza own 40% of the stock in the United Kingdom distributor.

Undisputed for purposes of this motion only.

17. The L'anza hair care products reflected in the November 23, 1992, May 19, 1993 and December 17, 1993 invoices were sold by L'anza in the United

Kingdom at a 35% to 40% discount below the prices at which L'anza sells the same products to its United States distributors ("U.S. distributors"), because L'anza incurs advertising expenses related to goods sold in the United States and has already established reliable channels of distribution in the United States.

Disputed. L'anza has not offered admissible evidence in support of the above facts and relies upon conclusory declarations unsupported by the necessary documentary evidence as required by of FRCP 56(e).

QUALITY KING'S UNDISPUTED FACTS

18. Title to the goods shipped by L'anza to its United Kingdom distributor transferred when the goods were delivered to the carrier in the United States and "clean on board ocean bills of lading" issued.

DeLanza Decl., ¶12, Exhs. K-M.

19. When L'anza shipped goods to L. Intertrade, it knew that the goods were to be sold in Malta and possibly Libya.

DeLanza Decl., ¶10; Exhs. K-M.

20. The following product labels are not included in the copyright registration filed by L'anza: Rebalance Shampoo; Moisture Factor; Glazer Gel; Special FX; Sprae Gel; Curls & Color Leave In Protector; Curls & Color Reconstructor; Curls & Color Curl Rejuvenator; Curls & Color Purifying Shampoo; Sculpture Creme; Dramatic FX and Multi-Bond.

DeLanza Decl., Exh. D; Larsen Decl., Exh. A.

CONCLUSIONS OF LAW

1. This court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331 and 1338.

Undisputed.

2. Venue is proper in this judicial district pursuant to 28 U.S.C. §1400.

Undisputed.

3. L'anza owns all right, title and interest in United States copyright registration No. TXU593-178, effective January 7, 1994 ("L'anza's copyright").

Disputed.

4. Quality King infringed L'anza's copyright in violation of 17 U.S.C. §602(a) of the Copyright Act.

Disputed.

5. The first sale defense in 17 U.S.C. §109(a) of the Copyright Act does not bar liability as to Quality King in this case.

Disputed.

6. Any stated uncontroverted fact deemed a conclusion of law is hereby incorporated as such.

QUALITY KING'S CONCLUSIONS OF LAW

7. Quality King did not violate 17 U.S.C. §602(a).

8. The first sale defense in 17 U.S.C. §109(a) bars L'anza's claim.

9. L'anza violated Executive Order 12543 and is barred by the doctrine of unclean hands from asserting a copyright claim against Quality King.

10. L'anza's copyright registration does not cover Rebalance Shampoo; Moisture Factor; Glazer Gel; Special FX; Sprae Gel; Curls & Color Leave In

Protector; Curls & Color Reconstructor; Curls & Color Curl Rejuvenator; Curls & Color Purifying Shampoo; Sculpture Creme; Dramatic FX and Multi-Bond.

Dated: April 3, 1995

RINTALA, SMOOT, JAENICKE
& BRUNSWICK
J. Larson Jaenicke
Melodie K. Larsen

By /s/ Melodie K. Larsen
Melodie K. Larsen
Attorneys for Defendant
Quality King Distributors, Inc.

[PROOF OF SERVICE OMITTED IN PRINTING]

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FILED
APR 3, 1995
Clerk, U.S. District Court
Central Dist. of Calif.
Los Angeles
By _____

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

[TITLE OMITTED IN PRINTING]

CASE NO. CV-94 0841 JSL

QUALITY KING DISTRIBUTORS, INC.'S OBJECTIONS TO DECLARATIONS FILED IN SUPPORT OF L'ANZA RESEARCH INTERNATIONAL, INC.'S MOTION FOR ORDER SPECIFYING ISSUES WITHOUT SUBSTANTIAL CONTROVERSY

DATE: April 17, 1995
TIME: 1:00 p.m.
PLACE: Courtroom "4"

Defendant Quality King Distributors, Inc. objects to the following declarations submitted in support of

L'anza's Motion for Summary Adjudication of Issues on the following grounds:

I.

AMENDED DECLARATION AND DECLARATION OF ROBERT LANZA

1. Paragraph 3 - Lack of foundation, best evidence rule, and hearsay, conclusory.

2. Paragraph 5 - Lack of foundation, hearsay.

3. Paragraph 6 - Lack of foundation, hearsay.

4. Paragraph 8 - Lack of foundation, best evidence rule, improper opinion testimony, hearsay, conclusory.

5. Paragraph 9 - Lack of foundation, best evidence rule, improper opinion testimony, hearsay, conclusory.

6. Paragraph 10 - Lack of foundation, best evidence rule, improper opinion testimony, legal conclusion.

7. Paragraph 11 - Lack of foundation, improper opinion testimony, legal conclusion.

8. Paragraph 12 - Lack of foundation, speculation, improper opinion testimony, legal conclusion, best evidence rule, conclusory.

9. Paragraph 13 - Lack of foundation, best evidence rule, improper opinion testimony, legal conclusion.

10. Paragraph 12 - Lack of foundation, speculation, improper opinion testimony, legal conclusion, best evidence rule, conclusory.

11. Paragraph 13 - Lack of foundation, best evidence rule, improper opinion testimony, legal conclusion, conclusory.

12. Paragraph 14 - Lack of foundation, best evidence rule.

13. Parargraph 15 - Lack of foundation, best evidence rule, conclusory.

14. Paragraph 16 - Lack of foundation, conclusory.

15. Paragraph 17 - Lack of foundation, hearsay.

II.

DECLARATION OF ROBERT HALL

1. Paragraph 3 - Lack of foundation, conclusory.

2. Paragraph 4 - Lack of foundation, best evidence rule, conclusory.

3. Paragraph 6 - Lack of foundation, best evidence rule.

4. Paragraph 7 - Lack of foundation; best evidence rule, conclusory.

5. Paragraph 8 - Lack of foundation; best evidence rule, conclusory.

6. Paragraph 9 - Lack of foundation; best evidence rule, conclusory.

7. Paragraph 10 - Conclusory, lack of foundation.

8. Paragraph 11 - Conclusory, lack of foundation.

9. Paragraph 12 - Lack of foundation, hearsay, conclusory.

10. Paragraph 13 - Lack of foundation, conclusory.

11. Paragraph 15 - Lack of foundation, best evidence rule, conclusory.

12. Paragraph 16 - Lack of foundation, improper opinion testimony, legal conclusion, best evidence rule.

DECLARATION OF DONALD H. GRAVES

13. Paragraph 2 - Vague, ambiguous, conclusory, lack of foundation.

14. Paragraph 3 - Vague, ambiguous, conclusory, lack of foundation.

DECLARATION OF TREVOR WAYNE ATTENBOROUGH

15. Paragraph 3 - Lack of foundation, improper legal conclusion.

Dated: April 3, 1995

RINTALA, SMOOT, JAENICKE & BRUNSWICK
J. Larson Jaenicke
Melodie K. Larsen

By /s/ Melodie K. Larsen
Melodie K. Larsen
Attorneys for Defendant
Quality King Distributors, Inc.

[PROOF OF SERVICE OMITTED IN PRINTING]

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FILED
MAY 1, 1995
Clerk, U.S. District Court
Central District of California
By Deputy

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

L'ANZA RESEARCH INTERNATIONAL,
Plaintiff,
v.
QUALITY KING, ET AL.,
Defendants.

CV 94-0841 JSL

ORDER SPECIFYING ISSUES

The motion of plaintiff L'Anza Research International, Inc. (hereinfter "L'Anza") for an order specifying issues that exist without substantial controversy as to defendant Quality King Distributors, Inc., came on for hearing regularly on April 17, 1995.

Having reviewed the papers filed in connection with this matter, having heard oral argument, and being fully apprised of the relevant facts and law,

IT IS HEREBY ORDERED that the motion of plaintiff L'Anza Research International, Inc. be GRANTED. The Court reaches the following conclusions of law in this case:

(1) L'Anza owns all right, title, and interest in the United States copyright registration No. TXU593-178, effective January 7, 1994; and

(2) The first sale defense in 17 U.S.C. § 109(a) of the Copyright Act does not bar liability as to Quality King, if otherwise proven, in this case.

IT IS SO ORDERED. A written opinion providing a more specific statement of the grounds for this decision will follow.

DATE: 5/1/95

/s/ J. Spencer Letts
J. Spencer Letts
United States District Judge

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Attorneys for Plaintiff
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FILED
MAY 9, 1995
Clerk, U.S. District Court
Central District of California

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

[TITLE OMITTED IN PRINTING]

CASE NO. CV-94 0841 JSL

DECLARATION OF DAVID RIPPON IN SUPPORT OF THE REPLY BY PLAINTIFF L'ANZA RESEARCH INTERNATIONAL, INC. TO THE OPPOSITION OF DEFENDANT QUALITY KING DISTRIBUTORS, INC. TO L'ANZA'S MOTION FOR AN ORDER SPECIFYING ISSUES THAT EXIST WITHOUT SUBSTANTIAL CONTROVERSY

DATE: April 17, 1995
TIME: 1:00 p.m.
PLACE: Courtroom "4" of the
Honorable J. Spencer Letts,
United States District Judge

Plaintiff L'anza Research International, Inc. ("L'anza"), a California corporation, respectfully submits the within declaration of David Rippon in support of its reply to the opposition of defendant Quality King Distributors, Inc. ("Quality King") to L'anza's motion for an order specifying issues that exist without substantial controversy.

DECLARATION OF DAVID RIPPON

I, DAVID RIPPON, declare that:

1. I am a citizen of the United Kingdom and am the Chairman of L'anza Europe Limited which is the distribution of the products of L'anza Research International, Inc. ("the L'anza distributorship") in the United Kingdom. I was previously the managing director of Planetary ECO Limited, the prior L'anza distributorship in the United Kingdom.

2. With regard to shipments of L'anza hair care products by L'anza to Planetary ECO Limited and later to L'anza Europe Limited, it was always my understanding as the managing director of Planetary ECO Limited and the part owner and Chairman of L'anza Europe Limited that possession, custody, control and title to any goods shipped by L'anza would not pass until the goods arrived in the United Kingdom or some other foreign destination. It was further always my understanding and the understanding of L'anza Europe Limited and Planetary ECO Limited that sales by either company had to be

restricted to their territories which definitely excluded any sales in the United States.

I declare under penalty of perjury under the laws of the United Kingdom and of the United States of America that the foregoing is true and correct.

Executed this 2nd day of May, 1995, at United Kingdom.

/s/ DAVID RIPPON
DAVID RIPPON

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FILED
JUL 25, 1995
Clerk, U.S. District Court
Central District of California
By Deputy

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

[TITLE OMITTED IN PRINTING]

CASE NO. CV-94 0841 JSL

ORDER FOR PERMANENT INJUNCTION AGAINST DEFENDANT QUALITY KING DISTRIBUTORS, INC.

TRIAL DATE: Past

On July 24, 1995 at 1:00 p.m. in this Courtroom of the United States District Court for the Central District of California located at 312 N. Spring Street, Los Angeles, California, the motion of plaintiff L'anza Research International, Inc. ("L'anza") for a permanent

injunction against defendant Quality King Distributors, Inc. ("Quality King") came on regularly for hearing.

NOW THEREFORE, good cause appearing therefore,

IT IS HEREBY ORDERED that:

Quality King and its officers, agents, servants, employees, attorneys, and all those acting in active concert or participation with it are prohibited from:

(1) importing any of the following L'anza hair care products to the extent that they were originally sold by L'anza to parties outside of the United States: Super Quatre, Mutli-Mist, Lavenda, Biotane, Vitro, Remede, Curls & Color Moisture Treatment, Curls & Color Moisturizing Shampoo, Re-Balance Leave In Conditioner, Re-Balance Shampoo Plus, and Re-Balance Styling Foam; and

(2) selling any of the following L'anza hair care products to the extent that they have been imported into the United States after having been originally sold by L'anza to some party outside of the United States: Super Quatre, Multi Mist, Lavenda, Biotane, Vitro, Remede, Curls & Color Moisture Treatment, Curls & Color Moisturizing Shampoo, Re-Balance Leave In Conditioner, Re-Balance Shampoo Plus, and Re-Balance Styling Foam.

IT IS FURTHER ORDERED that:

Quality King may send to L'anza any L'anza product in its original carton that it intends to buy, sell or dispose of and L'anza shall inform Quality King within ten days of receipt as to whether the particular L'anza product had previously been sold by L'anza within the United States. Thereafter, if L'anza has informed Quality King that a particular L'anza product was previously sold by L'anza within the United States, Quality King shall not be in violation of this injunction by buying,

selling or disposing of the product so identified by L'anza. After inspecting the products sent to it by Quality King, L'anza shall be required to return those products to Quality King within ten days.

DATE: July 25, 1995

/s/ J. Spencer Letts
J. Spencer Letts
United States District Judge

Respectfully submitted by:

/s/ John K. McKasson
John K. McKasson, a Member of
LaTORRACA and GOETTSCH
A Law Partnership
Attorneys for Plaintiff L'anza
Research International, Inc.,
a California corporation

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FILED
SEP 28, 1995
Clerk, U.S. District Court
Central District of California

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(a).

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

[TITLE OMITTED IN PRINTING]

CASE NO. CV-94 0841 JSL

JUDGMENT

IT IS HEREBY ORDERED AND ADJUDGED that plaintiff L'anza Research International, Inc. ("L'anza") shall recover of defendant Quality King International, Inc. ("Quality King") the sum of $132,616.00, with interest thereon at the rate of as provided by law, and its costs of _____.

IT IS FURTHER ORDERED AND DECREED that Quality King and its officers, agents, servants, employees, attorneys, and all those acting in active concert or participation with it are prohibited from:

(1) importing any of the following L'anza hair care products to the extent that they were originally sold by

L'anza to parties outside of the United States: Super Quatre, Multi-Mist, Lavenda, Biotane, Vitro, Remede, Curls & Color Moisture Treatment, Curls & Color Moisturizing Shampoo, Re-Balance Leave In Conditioner, Re-Balance Shampoo Plus, and Re-Balance Styling Foam; and

(2) selling any of the following L'anza hair care products to the extent that they have been imported into the United States after having been originally sold by L'anza to some party outside of the United States: Super Quatre, Multi-Mist, Lavenda, Biotane, Vitro, Remede, Curls & Color Moisture Treatment, Curls & Color Moisturizing Shampoo, Re-Balance Leave In Conditioner, Re-Balance Shampoo Plus, and Re-Balance Styling Foam.

IT IS FURTHER ORDERED that Quality King may send to L'anza any L'anza product in its original carton that it intends to buy, sell or dispose of and L'anza shall inform Quality King within ten days of receipt as to whether the particular L'anza product had previously been sold by L'anza within the United States. Thereafter, if L'anza has informed Quality King that a particular L'anza product was previously sold by L'anza within the United States, Quality King shall not be in violation of this injunction by buying, selling or disposing of the product so identified by L'anza. After inspecting the products sent to it by Quality King, L'anza shall be required to return those products to Quality King within ten days.

DATED: Sept. 28, 1995

J. Spencer Letts
J. Spencer Letts, Judge
United States District Court

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